



Reliance Cotton Spinning Mills Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING

This is to inform you that pursuant to the Order of the High Court of Sindh at Karachi dated December 1, 2022, passed in Civil Miscellaneous Application No. 2997 of 2022, in Petition bearing J. C. M. No. 45 of 2022, an Extraordinary General Meeting ("EOGM") of Reliance Cotton Spinning Mills Limited (the "Company") shall be held at, and conducted from, Trading Hall, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, on Tuesday, December 27, 2022 at 2:30 p.m., to transact the following business:

A. Special Business

That pursuant to the Order of the High Court of Sindh at Karachi dated December 1, 2022, passed in Civil Miscellaneous Application No. 2997 of 2022, in Petition bearing J. C. M. No. 45 of 2022, to consider and, if thought fit, to pass, with or without modification, the following resolution for, *inter alia*, the reorganization / re-arrangement of a certain portion of the shareholdings of the sponsors in the Company, involving their respective holding companies i.e. Channel Holdings (Private) Limited, Resource Corporation (Private) Limited, ATMZ Company (Private) Limited, Synergy Holdings (Private) Limited, Glory (Private) Limited, Glitter (Private) Limited, Lavender (Private) Limited and Acrylic (Private) Limited, and their respective members, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated November 29, 2022, as approved by the Board of Directors of the Company through circular resolutions passed on November 28, 2022.

The resolution to be passed by the requisite majority under Sections 279 and 282 of the Companies Act, 2017 is as under:

"RESOLVED THAT the Scheme of Arrangement dated November 29, 2022, involving Reliance Cotton Spinning Mills Limited, Channel Holdings (Private) Limited, Resource Corporation (Private) Limited, ATMZ Company (Private) Limited, Synergy Holdings (Private) Limited, Glory (Private) Limited, Glitter (Private) Limited, Lavender (Private) Limited and Acrylic (Private) Limited, and their respective members, for, inter alia, the reorganization / re-arrangement of a certain portion of the shareholdings of the sponsors in Reliance Cotton Spinning Mills Limited, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the Honorable High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

B. Ordinary Business

To transact any other business that may be placed before the meeting with the permission of the Chair.

Copies of the Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; Statement under Section 281 of the Companies Act, 2017; Scheme of Arrangement; and the Letter dated November 24, 2022 issued by A. F. Ferguson & Co. (a member firm of the PwC network), are being circulated to the members along with this notice of the EOGM.

By the Order of the Board



Rameez Ghausi
Company Secretary

Karachi: December 5, 2022



Reliance Cotton Spinning Mills Ltd.

Notes:

1. The share transfer books of the Company shall remain closed from December 21, 2022 to December 27, 2022 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar i.e. Hameed Majeed Associates (Private) Limited, situated at 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi, before the close of business on December 20, 2022 will be treated in time for the purpose of entitlement of attending and voting at the EOGM.
2. All members, whose names appear in the register of members of the Company as on December 20, 2022, are entitled to attend, participate in and vote at the meeting.
3. A member of the Company entitled to attend and vote at the EOGM may appoint another member as his / her proxy to attend, speak and vote for him / her. Proxies in order to be effective must be received at the registered office of the Company not later than 48 hours before the time for holding the EOGM. Copies of the instrument may be obtained from the registered office of the Company during normal office hours. Furthermore, the proxy form can also be downloaded from the Company's website: www.sapphire.com.pk/rcsml.
4. If proxies are granted by the members, the same must be accompanied with notorially certified copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced at the time of meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
6. In order to comply with the directives of the Securities and Exchange Commission of Pakistan, including in terms of Circular No. 4 of 2021, the Company has also arranged video conference facility for those members who are interested in participating virtually in the EOGM.

Special arrangements for participating in the EOGM through electronic means will be as under:

- a. EOGM will be held through Zoom application – a video link facility.
- b. Members interested in attending the EOGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by sending an e-mail with subject: "Registration for RCSML EOGM" at the earliest but not later than 48 hours before EOGM on E-mail: contact@sapphiretextiles.com.pk along with a valid copy of both sides of CNIC.

Members are advised to mention their Name, Folio/CDC Account Number, CNIC Number, Valid email address and cell number.

Upon receipt of the above information from the interested members, the Company will send the login credentials at their e-mail address. On the date of EOGM, members will be able to login and participate in the EOGM proceedings through their smartphone/computer devices. The login facility shall be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification/verification process.

7. Members holding shares in physical form, are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Members having shares in their CDC accounts are required to have their addresses updated with their respective participants.
8. Copies of the Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business, Statement under Section 281 of the Companies Act, 2017, Scheme of Arrangement dated November 29, 2022, Letter dated November 24, 2022 issued by A. F. Ferguson & Co. (a member firm of the PwC network), and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the EOGM from the registered office of the Company, located at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi free of cost during normal office hours, from the date of this notice till the conclusion of the EOGM. Such information shall also be placed for inspection of members of the Company during the EOGM.



Reliance Cotton Spinning Mills Ltd.

9. Deposit of physical certificate(s) in CDC Account: As per section 72 of Companies Act, 2017, every listed company shall be required to replace its physical certificates with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017.

Accordingly, a member having physical shares are encouraged to open a CDC sub- account with a broker or Investor Account directly with CDC to place their physical certificates into scrip less form.

10. In compliance with regulatory directives issued from time to time, members who have not yet submitted copy of their valid CNIC/NTN are requested to submit the same to the Company, with the respective member's folio number mentioned thereon for updating record.
11. The Company shall provide video conference facility to its members for attending the EOGM at places other than the town in which the EOGM is taking place, provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 7 days prior to date of the EOGM, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following form and submit the same to registered address of the Company 7 days before holding of the EOGM:

"I/We, _____ of _____ being a member of Reliance Cotton Spinning Mills Limited, holder of _____ Ordinary Shares as per registered folio # _____ hereby opt for video conference facility at _____."

Signature of Member



Reliance Cotton Spinning Mills Ltd.

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Reliance Cotton Spinning Mills Limited

Subject to the sanction of the High Court of Sindh at Karachi, under the Scheme of Arrangement dated November 29, 2022 (the "Scheme of Arrangement"), involving Reliance Cotton Spinning Mills Limited (the "Company"), Channel Holdings (Private) Limited ("Channel"), Resource Corporation (Private) Limited ("Resource"), ATMZ Company (Private) Limited ("ATMZ"), Synergy Holdings (Private) Limited ("Synergy"), Glory (Private) Limited ("Glory"), Glitter (Private) Limited ("Glitter"), Lavender (Private) Limited ("Lavender") and Acrylic (Private) Limited ("Acrylic"), and their respective members, there shall be a corporate reorganization of a certain portion of the shareholdings of the sponsors of the Company in the issued and paid up share capital of the Company. (Channel, Resource, ATMZ, Synergy, Glory, Glitter, Lavender and Acrylic shall collectively be referred to as the "Sponsors' HoldCos").

In terms of the Scheme of Arrangement, an aggregate of 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, (the "Reliance Arrangement Shares") held by the sponsors of the Company, including Channel, Resource, ATMZ and Synergy, (to the extent detailed in the Scheme of Arrangement) shall stand cancelled, and simultaneously, in lieu of the above, an equivalent number of ordinary shares of the Company i.e. 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) shares (the "Reliance Re-organization Shares") shall be issued collectively in favour of Glory, Glitter, Lavender and Acrylic, as a result of which there shall be no change in the issued and paid up share capital of the Company (the "Arrangement"). The Arrangement, and the Scheme of Arrangement (along with all matters thereunder) shall be with effect from the date of passing of the order by the Court sanctioning the Scheme of Arrangement or at such other date stated by the Court.

The proposed Arrangement detailed above, along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, in accordance with the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017. The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 45 of 2022; furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, free of cost during normal office hours; copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

The Scheme of Arrangement, along with the arrangements envisaged thereunder, comprises, and shall enable, a re-organization of the ownership structure of the sponsors' shareholdings in the Company without adversely affecting or otherwise impacting the Company and / or its members. The same will facilitate the sponsors to improve the management of the Company, which is expected to support business growth and long-term business continuation of the Company; this will in-turn benefit all the members of the Company.

The Reliance Re-organization Shares to be issued in favour of Glory, Glitter, Lavender and Acrylic, represent the corresponding number of ordinary shares of the Company which are to be cancelled as part of the Arrangement i.e. the Reliance Arrangement Shares, as further detailed in the letter dated November 24, 2022, issued by A. F. Ferguson & Co. (a member firm of the PwC network) (attached as Annexure G to the Scheme of Arrangement), which has been approved by the respective Board of Directors of the Company and each Sponsors' HoldCo. Resultantly, and as a consequence of the Arrangement, the issued and paid-up share capital of the Company shall remain PKR 102,920,000/- (Pak



Reliance Cotton Spinning Mills Ltd.

Rupees One Hundred Two Million Nine Hundred Twenty Thousand), divided into 10,292,000 (Ten Million Two Hundred Ninety-Two Thousand) ordinary shares of PKR 10/- (Pak Rupees Ten each).

In consideration for the Arrangement Glory, Glitter, Lavender and Acrylic shall issue ordinary shares to certain sponsors' groups in the manner detailed in the Scheme of Arrangement.

The objects and benefits of the arrangements are also provided in detail in the Scheme of Arrangement.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their common directorships and (direct and indirect) shareholdings in the respective companies i.e. the Company and the Sponsors' HoldCos (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement, particularly Article 5.11 thereof. As stipulated in Article 5.11 of the Scheme of Arrangement, Mr. Yousuf Abdullah, Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Shayan Abdullah, Mr. Nabeel Abdullah, Mr. Umer Abdullah, Mr. Hassan Abdullah, Mr. Tayyab Abdullah, Mr. Ali Abdullah, Mr. Mustafa Abdullah, Mr. Salman Abdullah and Mr. Ismael Abdullah, are from amongst the sponsors, holding a significant portion of the Reliance Arrangement Shares (along with their family members and the entities forming part of the Sponsors i.e. Channel, Resource, ATMZ and Synergy) which shall stand cancelled in accordance with the provisions of the Scheme of Arrangement. The said directors are also shareholders of different Sponsors' HoldCos, in favour of which the Company shall issue the Reliance Re-organization Shares i.e. Glory, Glitter, Lavender and Acrylic, as part of the Arrangement. Furthermore, Glory, Glitter, Lavender and Acrylic shall issue shares to some of the said directors in accordance with the provisions of the Scheme of Arrangement.

In view of the above, the Board of Directors of the Company have approved and recommended the Scheme of Arrangement, along with the arrangements stipulated thereunder which have been described above.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, free of cost during normal office hours.

The aforesaid statement is also enclosed along with this notice of the Extraordinary General Meeting.



Statement under Section 281(1)(a) of the Companies Act, 2017, accompanying the Notices to the Members And Secured Creditors of Reliance Cotton Spinning Mills Limited

Pursuant to the Order dated December 1, 2022, passed by the High Court of Sindh at Karachi in Civil Miscellaneous Application No. 2997 of 2022, in Petition bearing J. C. M. No. 45 of 2022, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that separate meetings of the members and secured creditors of Reliance Cotton Spinning Mills Limited (the "Company") be convened for seeking approval with respect to the Scheme of Arrangement dated November 29, 2022, involving the Company, Channel Holdings (Private) Limited ("Channel"), Resource Corporation (Private) Limited ("Resource"), ATMZ Company (Private) Limited ("ATMZ"), Synergy Holdings (Private) Limited ("Synergy"), Glory (Private) Limited ("Glory"), Glitter (Private) Limited ("Glitter"), Lavender (Private) Limited ("Lavender") and Acrylic (Private) Limited ("Acrylic"), and their respective members, pertaining, *inter alia*, to a corporate reorganization of a certain portion of the shareholdings of the sponsors of the Company in the issued and paid up share capital of the Company, along with ancillary matters thereto (the "Scheme of Arrangement"). (Channel, Resource, ATMZ, Synergy, Glory, Glitter, Lavender and Acrylic shall collectively be referred to as the "Sponsors' HoldCos").

In terms of the Scheme of Arrangement, an aggregate of 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, (the "Reliance Arrangement Shares") held by the sponsors of the Company, including Channel, Resource, ATMZ and Synergy, (to the extent detailed in the Scheme of Arrangement) shall stand cancelled, and simultaneously, in lieu of the above, an equivalent number of ordinary shares of the Company i.e. 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) shares (the "Reliance Re-organization Shares") shall be issued collectively in favour of Glory, Glitter, Lavender and Acrylic, as a result of which there shall be no change in the issued and paid up share capital of the Company (the "Arrangement").

A copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme of Arrangement has been / shall be enclosed with the respective notices of the meetings circulated / to be circulated to the members and secured creditors of the Company.

The notices issued and published to the members of the Company are for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the arrangements contemplated thereunder, along with ancillary matters:

"RESOLVED THAT the Scheme of Arrangement dated November 29, 2022, involving Reliance Cotton Spinning Mills Limited, Channel Holdings (Private) Limited, Resource Corporation (Private) Limited, ATMZ Company (Private) Limited, Synergy Holdings (Private) Limited, Glory (Private) Limited, Glitter (Private) Limited, Lavender (Private) Limited and Acrylic (Private) Limited, and their respective members, for, inter alia, the reorganization / re-arrangement of a certain portion of the shareholdings of the sponsors in Reliance Cotton Spinning Mills Limited, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the Honorable High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the members convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the members of the Company, present in person or by proxy, and voting at the Extraordinary General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.



Reliance Cotton Spinning Mills Ltd.

The notice issued / to be issued to the secured creditors of the Company is for the purpose of convening a meeting of the secured creditors of the Company, as directed by the Court, for the purpose of obtaining their approval in respect of the Scheme of Arrangement and the arrangements contemplated thereunder. With respect to the secured creditors of the Company, under section 279(2) of the Companies Act, 2017, the Scheme of Arrangement is required to be approved by three-fourths of the creditors (in value of outstanding liabilities) present and voting at the meeting of the secured creditors (through their authorized representatives).

The principal object of the Scheme of Arrangement is, *inter alia*, to effect the Arrangement, as further detailed in the Scheme of Arrangement, with effect from the date of passing of the order by the Court sanctioning the Scheme of Arrangement or at such other date stated by the Court (the "Effective Date"). In terms of the Scheme of Arrangement, the Reliance Arrangement Shares, which are owned by the sponsors (including through Channel, Resource, ATMZ and Synergy) (as per the details stipulated in the Scheme of Arrangement) shall stand cancelled with effect from the Effective Date. In lieu of the said cancellation, the Company shall simultaneously allot and issue the Reliance Re-organization Shares, credited as fully paid up, at par, in favour of Glory, Glitter, Lavender and Acrylic, in the manner, and as per the break-ups, detailed in the Scheme of Arrangement. The allotment and issuance of the Reliance Re-organization Shares shall be deemed to have been carried out with effect from the Effective Date.

The Reliance Re-organization Shares to be issued to the relevant Sponsors' HoldCos, represent the corresponding number of ordinary shares of the Company which are to be cancelled as part of the Arrangement i.e. the Reliance Arrangement Shares, as further detailed in the letter dated November 24, 2022, issued by A. F. Ferguson & Co. (a member firm of the PwC network) (attached as Annexure G to the Scheme of Arrangement), which has been approved by the respective Board of Directors of the Company and each Sponsors' HoldCo. Resultantly, and as a consequence of the Arrangement, the issued and paid-up share capital of the Company shall remain PKR 102,920,000/- (Pak Rupees One Hundred Two Million Nine Hundred Twenty Thousand), divided into 10,292,000 (Ten Million Two Hundred Ninety-Two Thousand) ordinary shares of PKR 10/- (Pak Rupees Ten each).

In light of the above, it is pointed out that the Arrangement comprises a re-organization of the issued and paid-up share capital of the Company to the extent of the Reliance Arrangement Shares which are held, directly and indirectly, by the sponsors, and that the same will not impact the other members of the Company.

As consideration for the arrangement, each of Glory, Glitter, Lavender and Acrylic shall allot and issue ordinary shares in favour of certain sponsors' groups, in the manner detailed in the Scheme of Arrangement.

All information / particulars with respect to the Arrangement, and all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including the objects and benefits of the entire arrangement. Approval of the Scheme of Arrangement by the members of the Company shall also constitute an approval by way of special resolution from the members of the Company with respect to all matters prescribed under the Scheme of Arrangement, including the issuance of the Reliance Re-organization Shares in favour of the relevant Sponsors' HoldCos.

The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 45 of 2022; furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

The respective directors of the Company and the respective Sponsors' HoldCos are interested in the Scheme of Arrangement to the extent of their common directorships and (direct and indirect) shareholdings in the respective companies i.e. the Company and the Sponsors' HoldCos (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of



Reliance Cotton Spinning Mills Ltd.

Arrangement, particularly Article 5.11 thereof. As stipulated in Article 5.11 of the Scheme of Arrangement, Mr. Yousuf Abdullah, Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Shayan Abdullah, Mr. Nabeel Abdullah, Mr. Umer Abdullah, Mr. Hassan Abdullah, Mr. Tayyab Abdullah, Mr. Ali Abdullah, Mr. Mustafa Abdullah, Mr. Salman Abdullah and Mr. Ismael Abdullah, are from amongst the sponsors, holding a significant portion of the Reliance Arrangement Shares (along with their family members and the entities forming part of the Sponsors i.e. Channel, Resource, ATMZ and Synergy) which shall stand cancelled in accordance with the provisions of the Scheme of Arrangement. The said directors are also shareholders of different Sponsors' HoldCos, in favour of which the Company shall issue the Reliance Re-organization Shares i.e. Glory, Glitter, Lavender and Acrylic, as part of the Arrangement. Furthermore, Glory, Glitter, Lavender and Acrylic shall issue shares to some of the said directors in accordance with the provisions of the Scheme of Arrangement.



Rameez Ghausi
Company Secretary

RELiance COTTON SPINNING MILLS LIMITED

Karachi
December 5, 2022

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285 OF
THE COMPANIES ACT, 2017**

INVOLVING

**RELIANCE COTTON SPINNING MILLS LIMITED
AND ITS MEMBERS**

AND

**CHANNEL HOLDINGS (PRIVATE)
LIMITED
AND ITS MEMBERS**

**RESOURCE CORPORATION (PRIVATE)
LIMITED
AND ITS MEMBERS**

AND

AND

**ATMZ COMPANY (PRIVATE)
LIMITED
AND ITS MEMBERS**

**SYNERGY HOLDINGS (PRIVATE)
LIMITED
AND ITS MEMBERS**

AND

AND

**GLORY (PRIVATE) LIMITED
AND ITS MEMBERS**

**GLITTER (PRIVATE) LIMITED
AND ITS MEMBERS**

AND

AND

**LAVENDER (PRIVATE) LIMITED
AND ITS MEMBERS**

**ACRYLIC (PRIVATE) LIMITED
AND ITS MEMBERS**

FOR

**The reorganization / re-arrangement of a certain portion of the shareholdings of the
Sponsors in Reliance Cotton Spinning Mills Limited, involving the Sponsors' HoldCos and
their respective members, along with all ancillary matters.**

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017

BETWEEN

RELIANCE COTTON SPINNING MILLS LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**Reliance**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

CHANNEL HOLDINGS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**Channel**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

RESOURCE CORPORATION (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**Resource**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

ATMZ COMPANY (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**ATMZ**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

SYNERGY HOLDINGS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**Synergy**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

GLORY (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**Glory**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

GLITTER (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar

Road, Karachi (hereinafter referred to as "Glitter", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

LAVENDER (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "Lavender", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

ACRYLIC (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "Acrylic", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

THEIR RESPECTIVE MEMBERS

RECITALS

WHEREAS by this Scheme of Arrangement ("Scheme"), it is, *inter alia*, proposed that:

1. A portion of the issued and paid up share capital of Reliance shall be reorganized, such that the Reliance Arrangement Shares (as defined below), being a portion of the Reliance Shares held by the Sponsors (as defined below), shall stand cancelled on the Effective Date, and Reliance shall allot and issue a corresponding number of Reliance Re-Organization Shares (as defined below) in favour of the Sponsors' HoldCos (as defined below), without any reduction in the issued and paid up share capital of Reliance.
2. As consideration for the above, the respective Sponsors' HoldCos shall allot and issue ordinary shares to certain Sponsors in accordance with this Scheme.
3. As a consequence of the Arrangement (as defined below), there shall be a reduction in the shareholders' equity (i.e. reserves and / or unappropriated profits, as may be applicable) of each of Channel, Resource, ATMZ and Synergy, in each case, in accordance with the provisions of this Scheme.
4. Reliance and each Sponsors' HoldCo shall continue to own and operate its respective undertaking (including all Assets, Liabilities and Obligations comprising the same), each as independent companies, without any such Company being dissolved or wound up.
5. Channel shall continue to own and operate the Channel Remainder Undertaking (as defined below).
6. Resource shall continue to own and operate the Resource Remainder Undertaking (as defined below).

7. ATMZ shall continue to own and operate the ATMZ Remainder Undertaking (as defined below).
8. Synergy shall continue to own and operate the Synergy Remainder Undertaking (as defined below).
9. This Scheme, if approved through a resolution by the requisite majority of the respective members of each Company, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on each of the Companies along with all the members / shareholders, creditors, employees, Customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to, the respective Companies (as applicable).

BENEFITS OF THIS SCHEME

A. Arrangement Between the Companies and their Respective Members

The Arrangement shall enable a re-organization of the ownership structure of the Sponsors' shareholdings in Reliance through the provisions of sections 279 to 283 and 285 of the Act, without adversely affecting or impacting Reliance and / or its members.

B. Better Management of Shareholding of Reliance by the Sponsors

The Arrangement will enable the individuals comprising the Sponsors to exercise better management of the shareholding of Reliance through the Group Companies, which will reduce the likelihood of disputes between such members and their successors that could otherwise adversely and detrimentally impact Reliance. Globally, holding companies are often set up to facilitate and enable a more structured management of shareholding positions, which will be possible as a consequence of the Arrangement. Furthermore, the individuals comprising the Sponsors will no longer be required to manage a significant portion of the Reliance Shares held by them.

C. Improve Focus on Management of Reliance

The Group Companies will be in a position to appoint professionals, if deemed fit, to manage the shareholding portfolios of the respective Group Companies, including the respective portion of the Reliance Shares held by the Group Companies from time to time. This in-turn is expected to improve the management and focus on operations of Reliance.

D. Business Continuity and Longevity

Decision making by the individuals comprising the Sponsors through the Group Companies is expected to support business growth and long term business continuation of Reliance, which shall benefit all its shareholders.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

"Acrylic" shall have the meaning as prescribed in the Preamble above;

"Acrylic Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Acrylic;

"Act" means the Companies Act, 2017;

"Annexure A" is the annexure attached hereto which details / stipulates the break-up of the (i) holdings of the Reliance Shares held by the respective Sponsors as on the date of this Scheme; and (ii) Reliance Arrangement Shares amongst the respective Sponsors, which shall stand cancelled pursuant to the provisions of the Scheme;

"Annexure B" is the annexure attached hereto which stipulates the break-up of the Reliance Re-organization Shares to be issued to the respective Sponsors' HoldCos, as part of the Arrangement;

"Annexure C" is the annexure attached hereto which stipulates the break-up / details of issuance of the Glory Shares by Glory to certain Sponsor Group A members;

"Annexure D" is the annexure attached hereto which stipulates the break-up / details of issuance of the Glitter Shares by Glitter to certain Sponsor Group B members;

"Annexure E" is the annexure attached hereto which stipulates the break-up / details of issuance of the Lavender Shares by Lavender to certain Sponsor Group C members;

"Annexure F" is the annexure attached hereto which stipulates the break-up / details of issuance of the Acrylic Shares by Acrylic to certain Sponsor Group D members;

"Annexure G" is the annexure attached hereto containing the Letter;

"Arrangement" shall have the same meaning as prescribed thereto in Article 2.1 of this Scheme;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, Contracts, government consents, tax refunds / credits, tax exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired period), sanctions and authorizations, including all registrations, licences, Claims, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the

business / company, all trademarks, patents, copyrights, intellectual property rights, licences, liberties, secret processes, know-how, good-will, data and confidential information belonging / pertaining to a Company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a Company, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights associated therewith); (ii) all inventory, stock-in trade, consignments from shipments, plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances and accessories, spare parts and tools; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records, information, reports, policies, research and all other documents of whatever nature relating thereto; (iv) all the connections and facilities for telecommunications, electricity, gas, water and other installations, owned by, leased or licensed to a company (including related deposits); (v) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the liquidation / release / settlement / satisfaction of the Contingent Claims; and (vi) unadjusted tax receivables / losses;

"ATMZ" shall have the meaning as prescribed in the Preamble above;

"ATMZ Remainder Undertaking" means all the Assets, Liabilities and Obligations of ATMZ, excluding the portion of the Reliance Arrangement Shares held by ATMZ (as detailed in Annexure A attached hereto) which shall stand cancelled in accordance with the provisions of this Scheme;

"CDC" means the Central Depository Company of Pakistan Limited;

"CDS" means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

"Channel" shall have the meaning as prescribed in the Preamble above;

"Channel Remainder Undertaking" means all the Assets, Liabilities and Obligations of Channel, excluding the portion of the Reliance Arrangement Shares held by Channel (as detailed in Annexure A attached hereto) which shall stand cancelled in accordance with the provisions of this Scheme;

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"Companies" means collectively, Reliance, Channel, Resource, ATMZ, Synergy, Glory, Glitter, Lavender and Acrylic; and **"Company"** means any of them;

"Contingent Claim(s)" means any potential Claim that a Company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contracts" means any contracts, agreements, deeds, instruments, insurance policies, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

"Court" means the High Court of Sindh at Karachi, or any other Court / authority for the time being having jurisdiction under the Act in connection with the Arrangement;

"Customer" means any person having entered into a transaction, arrangement or other dealing with a Company;

"Effective Date" shall have the same meaning as prescribed thereto in Article 3.1 of this Scheme;

"existing" means existing, outstanding or in force immediately prior to the Effective Date (unless stated otherwise);

"Glitter" shall have the meaning as prescribed in the Preamble above;

"Glitter Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Glitter;

"Glory" shall have the meaning as prescribed in the Preamble above;

"Glory Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Glory;

"Group Companies" means collectively, Channel, Resource, ATMZ, Synergy, Glory, Glitter, Lavender and Acrylic;

"Lavender" shall have the meaning as prescribed in the Preamble above;

"Lavender Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Lavender;

"Letter" means the letter dated November 24, 2022, issued by A. F. Ferguson & Co. (a member firm of the PwC network) to the respective Board of Directors of the Companies, attached hereto as Annexure G, pertaining to the Arrangement and ancillary matters thereto;

"Liabilities and Obligations" includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever, and all Securities, and the term **"Liabilities"** and **"Obligations"** are used interchangeably and / or in conjunction with each other;

"Reliance" shall have the meaning as prescribed in the Preamble above;

"Reliance Arrangement Shares" means collectively, the 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) Reliance Shares legally and beneficially

owned and held by the Sponsors (as detailed in Annexure A attached hereto); which shall stand cancelled as part of the Arrangement in accordance with the provisions of this Scheme;

"Reliance Re-organization Shares" means collectively, 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) Reliance Shares to be allotted and issued to the Sponsors' HoldCos in the manner detailed in Annexure B attached hereto, in lieu of the cancellation of the Reliance Arrangement Shares (held by the Sponsors), which shall rank *pari passu* with the existing issued and paid up Reliance Shares in all respect;

"Reliance Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Reliance;

"Resource" shall have the meaning as prescribed in the Preamble above;

"Resource Remainder Undertaking" means all the Assets, Liabilities and Obligations of Resource, excluding the portion of the Reliance Arrangement Shares held by Resource (as detailed in Annexure A attached hereto) which shall stand cancelled in accordance with the provisions of this Scheme;

"Scheme" means this Scheme of Arrangement, in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

"Security" or "Securities" means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any Liabilities and Obligations;

"Sponsor Group A" means collectively, (i) Mr. Nadeem Abdullah (holding CNIC No. 42201-2771651-1); (ii) Mrs. Noshaba Nadeem (holding CNIC No. 42201-7461277-8); (iii) Mr. Nabeel Abdullah (holding CNIC No. 42201-7610106-5); and (iv) Mr. Umer Abdullah (holding CNIC No. 42201-7610201-5), being part of the immediate family of Mr. Nadeem Abdullah, along with Channel, being a company, the ordinary shares of which are owned by some of the above family members;

"Sponsor Group B" means collectively, (i) Mr. Shahid Abdullah (holding CNIC No. 42201-5225618-1); (ii) Mrs. Shireen Shahid (holding CNIC No. 42201-1691052-6); (iii) Mr. Shayan Abdullah (holding CNIC No. 42201-0776395-1); and (iv) Mr. Hassan Abdullah (holding CNIC No. 42201-2742773-5), being part of the immediate family of Mr. Shahid Abdullah, along with Resource, being a company, the ordinary shares of which are owned by some of the above family members;

"Sponsor Group C" means collectively, (i) Mr. Amer Abdullah (holding CNIC No. 42201-2089751-3); (ii) Mrs. Ambareen Amer (holding CNIC No. 42201-9033659-8); (iii) Mr. Tayyab Abdullah (holding CNIC No. 42201-1378817-5); (iv) Mr. Mustafa Abdullah (holding CNIC No. 42201-4523424-3); and (v) Mr. Ali Abdullah (holding CNIC No. 42201-6303220-1), being part of the immediate family of Mr. Amer Abdullah, along with ATMZ, being a company, the ordinary shares of which are owned by some of the above family members;

"Sponsor Group D" (i) Mr. Yousuf Abdullah (holding CNIC No. 42201-5234263-1); (ii) Mrs. Usma Yousuf (holding CNIC No. 42201-1104589-6); (iii) Mr. Salman (holding CNIC No. 42201-

0962977-7); and (iv) Mr. Ismael Abdullah (holding CNIC No. 42201-2753223-5), being part of the immediate family of Mr. Yousuf Abdullah, along with Synergy, being a company, the ordinary shares of which are owned by some of the above family members;

"Sponsors" means collectively, the persons and entities comprising the Sponsor Group A, Sponsor Group B, Sponsor Group C and Sponsor Group D, being some of the sponsor shareholders of Reliance;

"Sponsors' HoldCos" means collectively, Glory, Glitter, Lavender and Acrylic;

"Synergy" shall have the meaning as prescribed in the Preamble above; and

"Synergy Remainder Undertaking" means all the Assets, Liabilities and Obligations of Synergy, excluding the portion of the Reliance Arrangement Shares held by Synergy (as detailed in Annexure A attached hereto) which shall stand cancelled in accordance with the provisions of this Scheme;

1.2. In this Scheme, unless specified otherwise:

- (i) the headings in this Scheme are for convenience only and shall not affect the construction or interpretation thereof;
- (ii) a reference to any legislation or legislative provision includes any statutory modification of, or re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;
- (iii) words denoting the singular shall include the plural and vice versa;
- (iv) a reference to a person includes a company, firm, trust, authority or government and vice versa;
- (v) a reference to any person includes that person's executors, administrators, successors, legal heirs, and permitted assigns;
- (vi) "including" and "include" shall be deemed to mean "including, without limitation" and "include, without limitation"; and
- (vii) the word "hereof", "herein", "hereto" and "hereunder" and words of similar import when used, with the required linguistic and / or grammatical derivation, in this Scheme refer to this Scheme as a whole and not to any particular provision thereof.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to cause a reorganization in the issued and paid up share capital of Reliance through cancellation of the Reliance Arrangement Shares held by the Sponsors, on the Effective Date, without any further act or deed (except to the extent stated herein), and simultaneous allotment and issuance of the Reliance Re-organization Shares in

favour of the Sponsors' HoldCos in accordance with the provisions of this Scheme (the "Arrangement").

- 2.2. In consideration for the same, shares shall be issued to certain Sponsors by the respective Sponsors' HoldCos.
- 2.3. It is hereby clarified that although all of the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.
- 2.4. The Channel Remainder Undertaking shall, at all times, remain part of Channel.
- 2.5. The Resource Remainder Undertaking shall, at all times, remain part of Resource.
- 2.6. The ATMZ Remainder Undertaking shall, at all times, remain part of ATMZ.
- 2.7. The Synergy Remainder Undertaking shall, at all times, remain part of Synergy.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind the Companies as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act. When this Scheme becomes operative upon its sanction, the Arrangement, in accordance with this Scheme, will be treated as having effect from the date of sanction or such other date as may be stated by the Court (hereinafter referred to as the "Effective Date"). Each Company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Karachi in accordance with Section 279 of the Act.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of Reliance is PKR 120,000,000/- (Pak Rupees One Hundred Twenty Million), divided into 12,000,000 (Twelve Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 10,292,000 (Ten Million Two Hundred Ninety Two Thousand) ordinary shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of Channel is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 778,482 (Seven Hundred Seventy Eight Thousand Four Hundred Eighty Two) shares have been issued, fully subscribed to and paid up.

- 4.3. The authorized share capital of Resource is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 778,482 (Seven Hundred Seventy Eight Thousand Four Hundred Eighty Two) shares have been issued, fully subscribed to and paid up.
- 4.4. The authorized share capital of ATMZ is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 798,642 (Seven Hundred Ninety Eight Thousand Six Hundred Forty Two) shares have been issued, fully subscribed to and paid up.
- 4.5. The authorized share capital of Synergy is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 738,161 (Seven Hundred Thirty Eight Thousand One Hundred Sixty One) shares have been issued, fully subscribed to and paid up.
- 4.6. The authorized share capital of Glory is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 60,484 (Sixty Thousand Four Hundred Eighty Four) shares have been issued, fully subscribed to and paid up.
- 4.7. The authorized share capital of Glitter is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 60,484 (Sixty Thousand Four Hundred Eighty Four) shares have been issued, fully subscribed to and paid up.
- 4.8. The authorized share capital of Lavender is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 80,644 (Eighty Thousand Six Hundred Forty Four) shares have been issued, fully subscribed to and paid up.

- 4.9. The authorized share capital of Acrylic is PKR 25,000,000/- (Pak Rupees Twenty Five Million), divided into 2,500,000 (Two Million Five Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, which is sub-divided into the following classes: (i) 2,499,996 (Two Million Four Hundred Ninety Nine Thousand Nine Hundred Ninety Six) ordinary shares; (ii) 1 (one) Class A1 Preference Share; (iii) 1 (one) Class A2 Preference Share; (iv) 1 (one) Class A3 Preference Share; and (v) 1 (one) Class A4 Preference Share, out of which 60,484 (Sixty Thousand Four Hundred Eighty Four) shares have been issued, fully subscribed to and paid up.
- 4.10. It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital of the Companies shall remain unchanged.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of Reliance are as follows:

- (i) Mr. Shahid Abdullah;
- (ii) Mr. Shayan Abdullah;
- (iii) Mr. Amer Abdullah;
- (iv) Mr. Yousuf Abdullah;
- (v) Mr. Nabeel Abdullah;
- (vi) Mrs. Madiha Saeed Nagra; and
- (vii) Mr. Asif Elahi.

- 5.2. The present directors of Channel are as follows:

- (i) Mr. Nadeem Abdullah;
- (ii) Mr. Nabeel Abdullah; and
- (iii) Mr. Umer Abdullah.

- 5.3. The present directors of Resource are as follows:

- (i) Mr. Shahid Abdullah;
- (ii) Mr. Hassan Abdullah; and
- (iii) Mr. Shayan Abdullah.

- 5.4. The present directors of ATMZ are as follows:

- (i) Mr. Amer Abdullah;
- (ii) Mr. Tayyab Abdullah;
- (iii) Mr. Ali Abdullah; and
- (iv) Mr. Mustafa Abdullah.

- 5.5. The present directors of Synergy are as follows:

- (i) Mr. Yousuf Abdullah; and

- (ii) Mr. Salman Abdullah.
- 5.6. The present directors of Glory are as follows:
- (i) Mr. Nadeem Abdullah;
 - (ii) Mr. Nabeel Abdullah; and
 - (iii) Mr. Umer Abdullah.
- 5.7. The present directors of Glitter are as follows:
- (i) Mr. Shahid Abdullah;
 - (ii) Mr. Shayan Abdullah; and
 - (iii) Mr. Hassan Abdullah.
- 5.8. The present directors of Lavender are as follows:
- (i) Mr. Amer Abdullah;
 - (ii) Mr. Ali Abdullah;
 - (iii) Mr. Tayyab Abdullah; and
 - (iv) Mr. Mustafa Abdullah.
- 5.9. The present directors of Acrylic are as follows:
- (i) Mr. Yousuf Abdullah;
 - (ii) Mr. Ismael Abdullah; and
 - (iii) Mr. Salman Abdullah.
- 5.10. The directors of the respective Companies are expected to continue as the directors after the Arrangement / sanction of this Scheme, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created (or elections being held).
- 5.11. All the directors of the respective Companies have interest in the Arrangement to the extent of their respective directorships and shareholdings in the Companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of the respective Companies, except to the extent stipulated in this Scheme. In this respect it may be noted that:
- (i) Mr. Yousuf Abdullah, Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Shayan Abdullah, Mr. Nabeel Abdullah, Mr. Umer Abdullah, Mr. Hassan Abdullah, Mr. Tayyab Abdullah, Mr. Ali Abdullah, Mr. Mustafa Abdullah, Mr. Salman Abdullah and Mr. Ismael Abdullah, are from amongst the Sponsors, holding a significant portion of the Reliance Arrangement Shares (along with their family members and entities forming part of the Sponsors) which shall stand cancelled in accordance with the provisions of this Scheme.
 - (ii) The said directors are also shareholders of different Sponsors' HoldCos, in favour of which Reliance shall issue the Reliance Re-organization Shares, as part of the

Arrangement. Furthermore, the Sponsors' HoldCos shall issue shares to the said directors in accordance with the provisions of this Scheme.

- (iii) The Arrangement comprises a re-organization of the issued and paid up share capital of Reliance to the extent of the Reliance Arrangement Shares which are held by the Sponsors, including the said directors, directly and indirectly, and which Arrangement will not impact the other members of Reliance.

ARTICLE 6

ARRANGEMENT

6.1. Ownership and Cancellation of the Reliance Arrangement Shares

The Reliance Arrangement Shares are legally and beneficially owned and held by the Sponsors as per the details stipulated in Annexure A attached hereto, and are free from any Claims or Securities as on the date of this Scheme.

6.2. Cancellation of the Reliance Arrangement Shares

- (i) With effect from the Effective Date, the Reliance Arrangement Shares shall stand automatically cancelled without any further act or deed, or any documents required to be executed, registered or filed in respect of such cancellation (except to the extent stated herein).
- (ii) Securities existing over the Reliance Arrangement Shares (or any portion thereof), if any, shall stand automatically extinguished, discharged and vacated on the Effective Date.
- (iii) Within 30 (thirty) days from the Effective Date, the respective Sponsors shall, including through their authorized representative(s) (as may be applicable), hand over certificates representing the Reliance Arrangement Shares (to the extent of the physical shares), to the management of Reliance, which shall stand cancelled, provided that the Reliance Arrangement Shares shall automatically stand cancelled notwithstanding the non-provision of such certificates.
- (iv) With respect to the portion of the Reliance Arrangement Shares held in book entry form through the CDS, requisite notice shall be provided by Reliance / the Sponsors / the Sponsors' HoldCos to the CDC in accordance with the rules and regulations of the CDC, provided that the Reliance Arrangement Shares shall automatically stand cancelled on the Effective Date.

6.3. Issuance of the Reliance Re-Organization Shares

- (i) In lieu of the cancellation of the Reliance Arrangement Shares, and as part of the Arrangement, Reliance shall simultaneously allot and issue the Reliance Re-Organization Shares, credited as fully paid up, at par, in favour of the respective Sponsors' HoldCos in the manner (and as per the break-ups) detailed in Annexure B attached hereto.

- (ii) The Reliance Re-organization Shares being issued, represent the corresponding number of Reliance Shares being cancelled as part of the Arrangement i.e. the Reliance Arrangement Shares, as further detailed in the Letter, which has been approved by the Board of Directors of each Company.
- (iii) The Reliance Re-organization Shares, issued by Reliance to the Sponsors' HoldCos, shall initially be recorded in the books of account of the respective Sponsors' HoldCos at, and considered to have, the same cost at which the Reliance Arrangement Shares (which are being cancelled) are held / recorded by the respective Sponsors (including in the respective entity's books of account, to the extent applicable) prior to the sanction of this Scheme / the Effective Date.
- (iv) The issuance of the fully paid up Reliance Re-organization Shares in favour of the respective Sponsors' HoldCos (as each is entitled to in accordance with the provisions of this Scheme) shall be carried out by Reliance within 45 (forty five) days from the Effective Date in accordance with the applicable laws.
- (v) Notwithstanding the above, the allotment and issuance of the Reliance Re-organization Shares shall be deemed to have been carried out with effect from the Effective Date.
- (vi) With effect from the Effective Date, the Sponsors' HoldCos shall be the legal and beneficial holders / owners of the respective portions of the Reliance Re-organization Shares issued in their favour in accordance with the provisions of the Scheme. The respective Sponsors' HoldCos shall be fully permitted to deal with the same in their own right, and entitled to all the rights and the benefits thereof. Furthermore, all Liabilities and Obligations pertaining to the Reliance Re-organization Shares shall stand vested in, and assumed by, the respective Sponsors' HoldCos.
- (vii) The Reliance Re-organization Shares, issued and allotted to the Sponsors' HoldCos in accordance with the provisions of this Scheme, shall, in all respects, rank *pari passu* with the ordinary shares of Reliance and shall be entitled to all dividends declared by Reliance after the date of sanction of this Scheme.
- (viii) The Reliance Re-organization Shares shall be issued free of any and all encumbrances or Securities.
- (ix) Any Claims existing on or with respect to the Reliance Arrangement Shares, or any portion thereof, shall, upon the sanction of this Scheme, be deemed to be Claims on or with respect to the Reliance Re-organization Shares (or the relevant portion thereof), which shall stand vested in the respective Sponsors' HoldCo holding the relevant portion of the Reliance Re-organization Shares.

6.4. Issued and paid up share capital of Reliance

- (i) As a consequence of the Arrangement, the issued and paid up share capital of Reliance shall remain PKR 102,920,000/- (Pak Rupees One Hundred Two Million Nine Hundred Twenty Thousand), divided into 10,292,000 (Ten Million Two Hundred Ninety Two Thousand) Reliance Shares.

- (ii) Consequently, there shall be no reduction or increase in the issued and paid up share capital of Reliance.

6.5. Remainder Undertakings and Reduction in Shareholders' Equity

- (i) The Channel Remainder Undertaking shall be retained by Channel, which shall continue to own and operate the same (including all Assets, Liabilities and Obligations comprising the same).
- (ii) As a consequence of the cancellation of the relevant portion of the Reliance Arrangement Shares held by Channel, as part of the Arrangement, the shareholders' equity of Channel shall stand reduced in accordance with the provisions of this Scheme. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Glory in accordance with Article 8.5.
- (iii) The Resource Remainder Undertaking shall be retained by Resource, which shall continue to own and operate the same (including all Assets, Liabilities and Obligations comprising the same).
- (iv) As a consequence of the cancellation of the relevant portion of the Reliance Arrangement Shares held by Resource, as part of the Arrangement, the shareholders' equity of Resource shall stand reduced in accordance with the provisions of this Scheme. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Glitter in accordance with Article 8.5.
- (v) The ATMZ Remainder Undertaking shall be retained by ATMZ, which shall continue to own and operate the same (including all Assets, Liabilities and Obligations comprising the same).
- (vi) As a consequence of the cancellation of the relevant portion of the Reliance Arrangement Shares held by ATMZ, as part of the Arrangement, the shareholders' equity of ATMZ shall stand reduced in accordance with the provisions of this Scheme. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Lavender in accordance with Article 8.5.
- (vii) The Synergy Remainder Undertaking shall be retained by Synergy, which shall continue to own and operate the same (including all Assets, Liabilities and Obligations comprising the same).
- (viii) As a consequence of the cancellation of the relevant portion of the Reliance Arrangement Shares held by Synergy, as part of the Arrangement, the shareholders' equity of Synergy shall stand reduced in accordance with the provisions of this Scheme. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Acrylic in accordance with Article 8.5.

6.6. General

- (i) The Sponsors' HoldCos shall be entitled to execute deeds, assignments, confirmations or similar instruments pertaining to their respective portions of the Reliance Reorganization Shares.

- (ii) Subject to Article 6.5, each Company shall continue to own and operate its respective undertaking (including all Assets, Liabilities and Obligations comprising the same), each as independent companies, without any Company being dissolved or wound up.

6.7. Clarification

The provisions contained in Articles 6.1 to 6.6 above are without prejudice to the generality of any other provisions in this Scheme; but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

THE SCHEME'S EFFECT

- 7.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 7.2. The execution and / or sanction of this Scheme, including the Arrangement, shall not: (i) constitute or be treated as any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of the Reliance Re-organization Shares or any investment made by such person in any Company.
- 7.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on the Companies, and also on all the respective members of the Companies, the Customers of each of the Companies, the creditors of the Companies (to the extent applicable), and on any other person having any right or liability in relation to either of them.

ARTICLE 8

CONSIDERATION FOR THE ARRANGEMENT, REDUCTION OF SHAREHOLDERS' EQUITY AND RELATED MATTERS

- 8.1. As consideration for the Arrangement, and as stipulated in the Letter:
 - (i) Glory shall allot and issue an aggregate of 100,000 (One Hundred Thousand) Glory Shares to certain Sponsor Group A members, credited as fully paid up, at par, in the manner detailed in Annexure C attached hereto, as approved by the Board of Directors of Glory.
 - (ii) Glitter shall allot and issue an aggregate of 100,000 (One Hundred Thousand) Glitter Shares to certain Sponsor Group B members, credited as fully paid up, at par, in the manner detailed in Annexure D attached hereto, as approved by the Board of Directors of Glitter.

- (iii) Lavender shall allot and issue an aggregate of 100,000 (One Hundred Thousand) Lavender Shares to certain Sponsor Group C members, credited as fully paid up, at par, in the manner detailed in Annexure E attached hereto, as approved by the Board of Directors of Lavender.
 - (iv) Acrylic shall allot and issue an aggregate of 100,000 (One Hundred Thousand) Acrylic Shares to certain Sponsor Group D members, credited as fully paid up, at par, in the manner detailed in Annexure F attached hereto, as approved by the Board of Directors of Acrylic.
- 8.2. The allotment / issuance of shares by each Sponsors' HoldCo (in accordance with the provisions of this Article 8) shall be made within 45 (forty five) days from the date of sanction of this Scheme, subject to compliance with any legal formalities, including the Articles of Association of the respective Sponsors' HoldCo.
 - 8.3. Notwithstanding the above, the shares to be issued by the Sponsors' HoldCos shall be deemed to have been issued with effect from the Effective Date.
 - 8.4. The shares, issued and allotted by each Sponsors' HoldCo to the relevant Sponsors in accordance with the provisions of this Scheme, shall, in all respects, rank *pari passu* with the ordinary shares of that Sponsors' HoldCo, and shall be entitled to all dividends declared by the respective Sponsors' HoldCo after the date of sanction of this Scheme.
 - 8.5. Shares issued by the respective Sponsors' HoldCos in accordance with Article 8.1 shall initially be recorded in the books of account of the respective Sponsors' HoldCos at cost. Any amount in excess of the par value of the share capital being issued by the respective Sponsors' HoldCo shall be credited / recorded as a reserve, including as a "Reserve arising under the Scheme".
 - 8.6. Issuance of the Glory Shares by Glory in favour of the relevant members of the Sponsor Group A, in accordance with this Scheme, constitutes valid consideration for the cancellation of the portion of the Reliance Arrangement Shares held by the Sponsor Group A.
 - 8.7. Issuance of the Glitter Shares by Glitter in favour of the relevant members of the Sponsor Group B, in accordance with this Scheme, constitutes valid consideration for the cancellation of the portion of the Reliance Arrangement Shares held by the Sponsor Group B.
 - 8.8. Issuance of the Lavender Shares by Lavender in favour of the relevant members of the Sponsor Group C, in accordance with this Scheme, constitutes valid consideration for the cancellation of the portion of the Reliance Arrangement Shares held by the Sponsor Group C.
 - 8.9. Issuance of the Acrylic Shares by Acrylic in favour of the relevant members of the Sponsor Group D, in accordance with this Scheme, constitutes valid consideration for the cancellation of the portion of the Reliance Arrangement Shares held by the Sponsor Group D.
 - 8.10. As a consequence of the Arrangement, to the extent of the Reliance Arrangement Shares held by Channel (as detailed in Annexure A attached hereto), which shall stand cancelled in accordance with the provisions of this Scheme, the shareholders' equity i.e. the reserves and / or unappropriated profits of Channel shall stand reduced to provide for a reduction corresponding to the carrying / recorded value of such Reliance Arrangement Shares existing in the books and accounts of Channel. The reduction in the reserves of Channel shall automatically be effectuated and recorded accordingly with effect from the Effective Date.

Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character of, Glory in accordance with Article 8.5.

- 8.11. As a consequence of the Arrangement, to the extent of the Reliance Arrangement Shares held by Resource (as detailed in Annexure A attached hereto), which shall stand cancelled in accordance with the provisions of this Scheme, the shareholders' equity i.e. the reserves and / or unappropriated profits of Resource shall stand reduced to provide for a reduction corresponding to the carrying / recorded value of such Reliance Arrangement Shares existing in the books and accounts of Resource. The reduction in the reserves of Resource shall automatically be effectuated and recorded accordingly with effect from the Effective Date. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Glitter in accordance with Article 8.5.
- 8.12. As a consequence of the Arrangement, to the extent of the Reliance Arrangement Shares held by ATMZ (as detailed in Annexure A attached hereto), which shall stand cancelled in accordance with the provisions of this Scheme, the shareholders' equity i.e. the reserves and / or unappropriated profits of ATMZ shall stand reduced to provide for a reduction corresponding to the carrying / recorded value of such Reliance Arrangement Shares existing in the books and accounts of ATMZ. The reduction in the reserves of ATMZ shall automatically be effectuated and recorded accordingly with effect from the Effective Date. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Lavender in accordance with Article 8.5.
- 8.13. As a consequence of the Arrangement, to the extent of the Reliance Arrangement Shares held by Synergy (as detailed in Annexure A attached hereto), which shall stand cancelled in accordance with the provisions of this Scheme, the shareholders' equity i.e. the reserves and / or unappropriated profits of Synergy shall stand reduced to provide for a reduction corresponding to the carrying / recorded value of such Reliance Arrangement Shares existing in the books and accounts of Synergy. The reduction in the reserves of Synergy shall automatically be effectuated and recorded accordingly with effect from the Effective Date. Furthermore, the same shall form part of, and be recorded as, corresponding reserves, of the same nature and character, of Acrylic in accordance with Article 8.5.

ARTICLE 9

GENERAL

9.1. Modifications by the Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of each of the Companies may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit (without seeking further approval). In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the members and / or creditors of the respective Companies (as applicable) in its entirety and / or the Scheme, as approved by the respective Companies, is modified by the Court, the Board of Directors of any Company shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective Companies has been obtained).

9.2. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

9.3. Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect shall be borne by Reliance, provided that each Company shall be responsible for payment of stamp duty (to the extent applicable) for issuance of shares of that Company pursuant to this Scheme.

Karachi.

Dated: November 29, 2022.



For and on behalf of
RELiance COTTON SPINNING MILLS LIMITED

Name:

Rameez Ghausi

Designation:

Company Secretary



For and on behalf of
CHANNEL HOLDINGS (PRIVATE) LIMITED

Name:

ZEESHAN

Designation:

Company Secretary



For and on behalf of
RESOURCE CORPORATION (PRIVATE) LIMITED

Name:

Muhammad Alam

Designation:

Company Secretary



For and on behalf of
ATMZ COMPANY (PRIVATE) LIMITED

Name:

ZEESHAN

Designation:

Company Secretary



For and on behalf of
SYNERGY HOLDINGS (PRIVATE) LIMITED

Name:

ZEESHAN

Designation:

Company Secretary




For and on behalf of
GLORY (PRIVATE) LIMITED

Name: ZEESHAN

Designation: COMPANY SECRETARY


For and on behalf of
LAVERDER (PRIVATE) LIMITED

Name: ZEESHAN

Designation: COMPANY SECRETARY


For and on behalf of
GLITTER (PRIVATE) LIMITED

Name: MUHAMMAD ALAM

Designation: COMPANY SECRETARY


For and on behalf of
ACRYLIC (PRIVATE) LIMITED

Name: ZEESHAN

Designation: COMPANY SECRETARY

LIST OF ANNEXURES

- "Annexure A"** – Details / break-up of the (i) holdings of the Reliance Shares held by the respective Sponsors on the date of this Scheme; and (ii) Reliance Arrangement Shares amongst the respective Sponsors, which shall stand cancelled.
- "Annexure B"** – Details of issuance of the Reliance Re-organization Shares to the Sponsors' HoldCos.
- "Annexure C"** – Details of issuance of Glory Shares to certain Sponsor Group A members.
- "Annexure D"** – Details of issuance of Glitter Shares to certain Sponsor Group B members.
- "Annexure E"** – Details of issuance of Lavender Shares to certain Sponsor Group C members.
- "Annexure F"** – Details of issuance of Acrylic Shares to certain Sponsor Group D members.
- "Annexure G"** – Letter dated November 24, 2022, issued by A. F. Ferguson & Co. (a member firm of the PwC network).

ANNEXURE A¹

DETAILS OF HOLDINGS OF THE RELIANCE SHARES HELD BY THE SPONSORS AND BREAK-UP OF RELIANCE ARRANGEMENT SHARES TO BE CANCELLED

Name of Sponsor	Number of Reliance Shares held (as at date of Scheme)	Number of Reliance Shares to be cancelled (as part of Reliance Arrangement Shares)	Nature / Details (CDC / Physical) of Reliance Arrangement Shares to be cancelled
Sponsor Group A			
Mr. Nadeem Abdullah	187,944	133,566	Physical: 94,816 CDC: 38,750
Mrs. Noshaba Nadeem	435,645	309,598	Physical: 309,598
Mr. Nabeel Abdullah	570	405	CDC: 405
Channel Holdings (Private) Limited	1,247,684	361,828	CDC: 361,828
Sponsor Group A Total	1,871,843	805,397	-
Sponsor Group B			
Mr. Shahid Abdullah	117,777	79,450	Physical: 40,700 CDC: 38,750
Mrs. Shireen Shahid	98,506	66,451	Physical: 50,051 CDC: 16,400
Mr. Shayan Abdullah	220,728	148,899	Physical: 148,399 CDC: 500
Mr. Hassan Abdullah	220,534	148,769	Physical: 148,769
Resource Corporation (Private) Limited	1,247,684	355,590	CDC: 355,590
Sponsor Group B Total	1,905,229	799,159	-
Sponsor Group C			

¹ PwC to review / verify and insert necessary details.

Mr. Amer Abdullah	38,950	27,843	CDC: 27,843
Mrs. Ambareen Amer	116,233	83,091	Physical: 75,091 CDC: 8,000
Mr. Tayyab Abdullah	155,092	110,870	Physical: 110,870
Mr. Mustāfa Abdullah	155,116	110,887	Physical: 110,887
Mr. Ali Abdullah	155,103	110,878	Physical: 110,878
ATMZ Company (Private) Limited	1,247,684	352,470	CDC: 352,470
Sponsor Group C Total	1,868,178	796,039	-
Sponsor Group D			
Mr. Yousuf Abdullah	248,710	178,881	Physical: 135,693 CDC: 43,188
Mrs. Usma Yousuf	28,013	20,148	Physical: 20,148
Mr. Salman Abdullah	170,000	122,270	Physical: 122,270
Mr. Ismael Abdullah	170,000	122,270	Physical: 122,270
Synergy Holdings (Private) Limited	1,247,681	358,709	CDC: 358,709
Sponsor Group D Total	1,864,404	802,278	-
Sponsors' Total	7,509,654	3,202,873 (the Reliance Arrangement Shares)	-
Others (including group companies, other family members and general public etc.)	2,782,346	Nil	-
Total Reliance Shares	10,292,000	-	-

ANNEXURE B

DETAILS OF ISSUANCE OF RELIANCE RE-ORGANIZATION SHARES TO THE SPONSORS' HOLDCOS

Name of Sponsors' HoldCo	No. of Reliance Re-Organization Shares to be issued
Glory	805,397
Total (Sponsor Group A HoldCo)	805,397
Glitter	799,159
Total (Sponsor Group B HoldCo)	799,159
Lavender	796,039
Total (Sponsor Group C HoldCo)	796,039
Acrylic	802,278
Total (Sponsor Group D HoldCo)	802,278
Total Reliance Re-organization Shares issued to the Sponsors' HoldCos	3,202,873

ANNEXURE C

DETAILS OF ISSUANCE OF GLORY SHARES TO CERTAIN SPONSOR GROUP A MEMBERS

Name of Sponsor Group A Member	No. of Glory Shares to be issued
Mr. Nadeem Abdullah	33,334
Mr. Nabeel Abdullah	33,333
Mr. Umer Abdullah	33,333
Total	100,000

ANNEXURE D

DETAILS OF ISSUANCE OF GLITTER SHARES TO CERTAIN SPONSOR GROUP B MEMBERS

Name of Sponsor Group B Member	No. of Glitter Shares to be issued
Mr. Shahid Abdullah	33,334
Mr. Shayan Abdullah	33,333
Mr. Hassan Abdullah	33,333
Total	100,000

ANNEXURE E

DETAILS OF ISSUANCE OF LAVENDER SHARES TO CERTAIN SPONSOR GROUP C MEMBERS

Name of Sponsor Group C Member	No. of Lavender Shares to be issued
Mr. Amer Abdullah	25,000
Mr. Tayyab Abdullah	25,000
Mr. Mustafa Abdullah	25,000
Mr. Ali Abdullah	25,000
Total	100,000

ANNEXURE F

DETAILS OF ISSUANCE OF ACRYLIC SHARES TO CERTAIN SPONSOR GROUP D MEMBERS

Name of Sponsor Group B Member	No. of Acrylic Shares to be issued
Mr. Yousuf Abdullah	33,334
Mr. Salman Abdullah	33,333
Mr. Ismael Abdullah	33,333
Total	100,000



A.F. FERGUSON & CO.

The Boards of Directors of

- | | |
|--|--|
| 1. Reliance Cotton Spinning Mills Limited; | 2. Resource Corporation (Private) Limited; |
| 3. Channel Holdings (Private) Limited; | 4. ATMZ Company (Private) Limited; |
| 5. Synergy Holdings (Private) Limited; | 6. Glory (Private) Limited; |
| 7. Glitter (Private) Limited; | 8. Lavender (Private) Limited; and |
| 9. Acrylic (Private) Limited | |

The Cotton Exchange Building
I. I. Chundrigar Road
Karachi

November 24, 2022

Our reference: ADV 038

Dear Sirs

ENVISAGED SCHEME OF ARRANGEMENTS

This refers to the Scheme of Arrangements between Reliance Cotton Spinning Mills Limited ('RCSML' or 'the Company') and its members, Resource Corporation (Private) Limited ('RCPL') and its members, Channel Holdings (Private) Limited ('CHPL') and its members, ATMZ Company (Private) Limited ('ACPL') and its members, Synergy Holdings (Private) Limited ('SHPL') and its members, Glitter (Private) Limited ('GPL') and its members, Glory (Private) Limited ('Glory') and its members, Lavender (Private) Limited ('LPL') and its members, and Acrylic (Private) Limited ('APL') and its members (the Scheme of Arrangements hereinafter referred to as 'the Scheme').

2. COMPANIES AND THEIR SHARE CAPITAL

2.1 RCSML is a public listed company under the Companies Act, 2017 (the 'Act'). RCPL, CHPL, ACPL, SHPL, GPL, Glory, LPL and APL are private companies under the Act.

2.2 As per the statutory records of the aforementioned companies, provided to us by the managements; the issued and paid-up share capital of these companies as at November 17, 2022, is as follows:

- | | |
|---------|--|
| - RCSML | 10,292,000 shares of par value of Rs 10/- each |
| - RCPL | 778,482 shares of par value of Rs 10/- each |

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

- CHPL	778,482 shares of par value of Rs 10/- each
- ACPL	798,642 shares of par value of Rs 10/- each
- SHPL	738,161 shares of par value of Rs 10/- each
- GPL	60,484 shares of par value of Rs 10/- each
- Glory	60,484 shares of par value of Rs 10/- each
- LPL	80,644 shares of par value of Rs 10/- each
- APL	60,484 shares of par value of Rs 10/- each

2.3 As per the corporate records of RCSML and representations from its management, a major part of the issued and paid-up shares in the share capital of the Company is held collectively by Mr. Shahid Abdullah and his family members ('Shahid Family'), Mr. Nadeem Abdullah and his family members ('Nadeem Family'), Mr. Amer Abdullah and his family members ('Amer Family'), and Mr. Yousuf Abdullah and his family members ('Yousuf Family') (individually referred to as a Brother's Family and collectively referred to as Brothers' Families).

2.4 We have further been given to understand that:

- Shahid Family holds its shareholding in the Company in their individual names ('Shahid Family Direct Shareholding') and / or through their wholly owned holding companies, RCPL and GPL (individually referred to as a 'Shahid Family HoldCo' and collectively referred to as 'Shahid Family HoldCos');
- Nadeem Family holds its shareholding in the Company in their individual names ('Nadeem Family Direct Shareholding') and / or through their wholly owned holding companies, CHPL and Glory (individually referred to as a 'Nadeem Family HoldCo' and collectively referred to as 'Nadeem Family HoldCos');
- Amer Family holds its shareholding in the Company in their individual names ('Amer Family Direct Shareholding') and / or through their wholly owned holding companies, ACPL and LPL (individually referred to as an 'Amer Family HoldCo' and collectively referred to as 'Amer Family HoldCos'); and
- Yousuf Family holds its shareholding in the Company in their individual names ('Yousuf Family Direct Shareholding') and / or through their wholly owned holding companies, SHPL and APL (individually referred to as a 'Yousuf Family HoldCo' and collectively referred to as 'Yousuf Family HoldCos').

2.5 RCPL, CHPL, ACPL and SHPL are individually referred to as a 'Previous HoldCo' and collectively referred to as 'Previous HoldCos', whereas GPL, Glory, LPL and APL are individually referred to as a 'New HoldCo' and collectively referred to as 'New HoldCos'

3. THE SCHEME OF ARRANGEMENTS

3.1 Based on the draft of the Scheme provided to us, we understand that a restructuring of the shares in the share capital of the Company is being envisaged whereunder a portion of shareholding of the Company held directly by Brother's Families in their individual names and through their respective Previous HoldCo is envisaged to be held through their respective New HoldCo, and accordingly the Scheme is for:

- i. Cancellation of a portion of, Shahid Family Direct Shareholding and shareholding held through RCPL in the Company against and issuance of corresponding shares to GPL;
- ii. Cancellation of a portion of, Nadeem Family Direct Shareholding and shareholding held through CHPL in the Company against issuance of corresponding shares to Glory;
- iii. Cancellation of a portion of, Amer Family Direct Shareholding and shareholding held through ACPL in the Company, against issuance of corresponding shares to LPL;
- iv. Cancellation of a portion of, Yousuf Family Direct Shareholding and shareholding held through SHPL in the Company, against issuance of corresponding shares to APL;
- v. Issuance of shares by each of the New HoldCo, in its respective share capital to its respective shareholder(s) against issuance of shares of the Company to the respective New HoldCo.

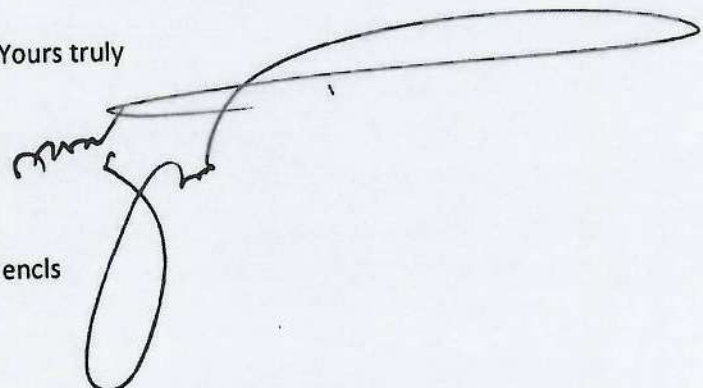
4. ISSUANCE AND CANCELLATION OF SHARES

- 4.1 Based on the above, the number of shares in the issued share capital of the Company to be cancelled and to be issued are attached as Annexure A.
- 4.2 The cancellation and issuance of shares in the issued share capital of the Company under the Scheme as above shall not have any effect on the effective proportionate shareholding in the Company of the Brothers' Families and of all the other shareholders as detailed in Annexure B.
- 4.3 Further, each New Holdco is to issue 100,000 ordinary shares to its respective shareholder(s) under the Scheme.

5. CAVEATS

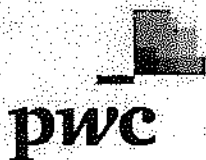
This letter has been prepared for the above-named addressees only in relation to the Scheme and accordingly, is not to be used by any other person or for any other purpose.

Yours truly

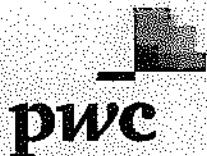


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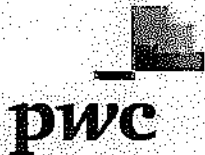
Page 3 of 3

NUMBER OF SHARES TO BE CANCELLED / ISSUED IN
THE SHARE CAPITAL OF THE COMPANY UNDER THE
SCHEME

Shareholders	Number of shares held prior to the effect of the Scheme	Cancellation of shares under the Scheme	Issuance of shares under the Scheme	Number of shares held post the effect of the Scheme
Shahid Family:				
- Shahid Family Direct Shareholding	657,545 (A1)	443,569 (B1)	- (C1)	213,976 (D1) = (A1) - (B1) + (C1)
- RCPL	1,247,684 (A2)	355,590 (B2)	- (C2)	892,094 (D2) = (A2) - (B2) + (C2)
- GPL	- (A3)	- (B3)	799,159 (C3)	799,159 (D3) = (A3) - (B3) + (C3)
	1,905,229 (A4) = (A1) + (A2) + (A3)	799,159 (B4) = (B1) + (B2) + (B3)	799,159 (C4) = (C1) + (C2) + (C3)	1,905,229 (D4) = (D1) + (D2) + (D3)
Nadeem Family:				
- Nadeem Family Direct Shareholding	624,159 (A5)	443,569 (B5)	- (C5)	180,590 (D5) = (A5) - (B5) + (C5)
- CHPL	1,247,684 (A6)	361,828 (B6)	- (C6)	885,856 (D6) = (A6) - (B6) + (C6)
- Glory	- (A7)	- (B7)	805,397 (C7)	805,397 (D7) = (A7) - (B7) + (C7)
	1,871,843 (A8) = (A5) + (A6) + (A7)	805,397 (B8) = (B5) + (B6) + (B7)	805,397 (C8) = (C5) + (C6) + (C7)	1,871,843 (D8) = (D5) + (D6) + (D7)

NUMBER OF SHARES TO BE CANCELLED / ISSUED IN
THE SHARE CAPITAL OF THE COMPANY UNDER THE
SCHEME

Shareholders	Number of shares held prior to the effect of the Scheme	Cancellation of shares under the Scheme	Issuance of shares under the Scheme	Number of shares held post the effect of the Scheme
Amer Family:				
- Amer Family Direct Shareholding	620,494 (A9)	443,569 (B9)	- (C9)	176,925 (D9) = (A9) - (B9) + (C9)
- ACPL	1,247,684 (A10)	352,470 (B10)	- (C10)	895,214 (D10) = (A10) - (B10) + (C10)
- LPL	- (A11)	- (B11)	796,039 (C11)	796,039 (D11) = (A11) - (B11) + (C11)
	1,868,178 (A12) = (A9) + (A10) + (A11)	796,039 (B12) = (B9) + (B10) + (B11)	796,039 (C12) = (C9) + (C10) + (C11)	1,868,178 (D12) = (D9) + (D10) + (D11)
Yousuf Family:				
- Yousuf Family Direct Shareholding	616,723 (A13)	443,569 (B13)	- (C13)	173,154 (D13) = (A13) - (B13) + (C13)
- SHPL	1,247,681 (A14)	358,709 (B14)	- (C14)	888,972 (D14) = (A14) - (B14) + (C14)
- APL	- (A15)	- (B15)	802,278 (C15)	802,278 (D15) = (A15) - (B15) + (C15)
	1,864,404 (A16) = (A13) + (A14) + (A15)	802,278 (B16) = (B13) + (B14) + (B15)	802,278 (C16) = (C13) + (C14) + (C15)	1,864,404 (D16) = (D13) + (D14) + (D15)
Others	2,782,346 (A17)	- (B17)	- (C17)	2,782,346 (D17)
Total	10,292,000 (A18) = (A4) + (A8) + (A12) + (A16) + (A17)	3,202,873 (B18) = (B4) + (B8) + (B12) + (B16) + (B17)	3,202,873 (C18) = (C4) + (C8) + (C12) + (C16) + (C17)	10,292,000 (D18) = (D4) + (D8) + (D12) + (D16) + (D17)



Annexure B
Referred to in our letter ADV 038
Dated November 24, 2022

EFFECTIVE PROPORTIONATE SHAREHOLDING OF
BROTHER' FAMILIES IN THE COMPANY PRIOR TO
AND POST THE EFFECT OF SCHEME

Shareholders	Effective proportionate Shareholding prior to the effect of the Scheme %	Effective proportionate Shareholding post the effect of the Scheme %	Change in effective proportionate shareholding
Shahid Family	18.51% (A1) = Annexure A {(A4) / (A18)}	18.51% (B1) = Annexure A {(D4) / (D18)}	(C1) = (A1) - (B1)
Nadeem Family	18.19% (A2) = Annexure A {(A8) / (A18)}	18.19% (B2) = Annexure A {(D8) / (D18)}	(C2) = (A2) - (B2)
Amer Family	18.15% (A3) = Annexure A {(A12) / (A18)}	18.15% (B3) = Annexure A {(D12) / (D18)}	(C3) = (A3) - (B3)
Yousuf Family	18.12% (A4) = Annexure A {(A16) / (A18)}	18.12% (B4) = Annexure A {(D16) / (D18)}	(C4) = (A4) - (B4)