

November 22, 2017

Mr. Muhammad Ghufan
Deputy General Manager – Operation
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
I. I. Chundrigar Road,
Karachi.



Subject: Disclosure of Material Information

Dear Sir,

This is with reference to your letter No. C-1136-7735 dated November 20, 2017.

As desired, please find attached the following documents:

1. 5 printed copies of Scheme of Amalgamation / Merger (attached as **Annex "A"**)
2. Complete report of Valuation and Swap Ratio (attached as **Annex "B"**)
3. Certified true copy of Resolution adopted by the shareholders in the Extraordinary General Meeting held on April 14, 2017 (attached as **Annex "C"**).
4. Certified true copy of Court Order, sanctioning the Scheme of Amalgamation (attached as **Annex "D"**).

We would like to apprise you that the Scheme has been approved but the Conditions Subsequent are yet to be concluded, therefore, the remaining documents as required by you will be furnished as soon as the same are available with us.

Should you require any further information, please do not hesitate to contact us.

Yours truly,


Danish Qazi
Company Secretary


Mr. Abdullah

03008241394

CERTIFIED COPY OF THE EXTRACT OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF M/s TPL TRAKKER LIMITED (THE "COMPANY"), HAVING OFFICE AT 12TH FLOOR, CENTREPOINT, OFF SHAHEED-E-MILLAT EXPRESSWAY, NEAR KPT INTERCHANGE FLYOVER, KARACHI, IN ITS EXTRAORDINARY GENERAL MEETING HELD ON APRIL 14, 2017.

RESOLVED THAT

1. "Through special resolution it is resolved that the Scheme of Arrangement dated December 30, 2016, for, inter alia, (i) the bifurcation / separation of TPL Trakker Limited into three segments / undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking; (ii) the merger, by way of amalgamation, of the maps undertaking with and into TPL Maps (Private) Limited and the trakker undertaking with and into TPL Vehicle Tracking (Private) Limited; (iii) the bifurcation / separation of TPLP Holdings (Private) Limited into 2 segments / undertakings i.e. the properties undertaking and the holdings undertaking, and merger, by way of amalgamation, of the properties undertaking with and into TPL Trakker 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 Ordinance, 1984."

FURTHER RESOLVED THAT

2. Through special resolution it is resolved that subject to fulfilling any documentary formalities / requirements, the name of the company be altered / changed from "TPL Trakker Limited" to "TPL Corp Limited" upon the sanction of the Scheme of Arrangement by the Honorable High Court of Sindh, in the manner prescribed thereunder, and consequently the name be changed in the Memorandum and Articles of Association of the company."
3. Through special resolution it is resolved that the following consideration / swap ratio, based on the calculations / recommendation of KPMG Taseer Hadi & Co. in terms of their letter dated 23rd December 2016, be and is hereby approved: 20,048,800 (Twenty Million Forty Eight Thousand Eight Hundred ordinary shares of the Company, of face value PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued by the Company to TPLH, as fully paid up, on the basis of a swap ratio of 0.95 shares of the Company for every [1 (one)] share of TPL Properties Limited."
4. Through special resolution it is resolved that upon the sanction of the Scheme, the authorized share capital of the Company shall stand automatically increased from PKR 2,300,000,000/- (Pak Rupees Two Billion Three Hundred Million) to PKR 3,300,000,000/- (Pak Rupees Three Billion Three Hundred Million), divided into 330,000,000 shares of PKR 10/- (Pak Rupees Ten) i.e. by enhancement of an additional amount of PKR 1,000,000,000/- (Pak Rupees one billion), and that the Memorandum and Articles of Association of the Company shall stand amended accordingly in terms of the Scheme.

5. Through special resolution it is resolved that the Clause V of Memorandum of Association be and hereby is amended to read as follows;

“The Capital of the Company is Rs. 3,300,000,000 (Rs. Three Billion Three Hundred Million) divided into 330,000,000 ordinary shares of Rs. 10/each, with the rights, privileges and conditions attaching thereto as are provided by regulations of the Company for the time being with power to increase and reduce the Capital for the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and consolidate or subdivide the shares and issue shares of higher or lower denominations.”

6. Through special resolution it is resolved that Article 5 (i) of the Articles of Associations be and is hereby amended to read as follows:

The authorized capital of the Company is Rs. 3,300,000,000/- (Rupees Three Billion, Three Hundred Million only) divided into 330,000,000 ordinary shares of Rs.10/- (Rupees ten) each with the power to increase or reduce the capital and to consolidate or subdivide the shares, issue shares of different kinds or classes therein of higher or lower denominations and to vary, modify or abrogate any such rights or conditions in such manner as may be authorized by the regulations of the Company and subject to applicable laws.”

7. Through special resolution it is resolved that the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions, as well as carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the object of the aforesaid resolutions.”
8. Company be and is authorized to take all necessary steps to obtain the requisite approvals / no objections / clearances from the relevant regulatory / competent authorities, as may be required under the applicable laws
9. Through special resolution it is resolved that the approval of the shareholders be and is hereby accorded for acquisition of approximately 69.12% of the shares of TPL Direct Insurance Limited from Greenoaks Global Holdings Ltd at a price of PKR 24/- per share”

10. Through special resolution it is resolved that the Chairman, Chief Executive Officer, Chief Financial Officer and the Company Secretary of TPL Trakker Limited, be and are hereby authorized to singly to take all steps necessary, including but not limited to obtaining all requisite regulatory approvals and submitting all such documents as may be required by the regulators, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the acquisition of Shares and all other matters incidental or ancillary thereto”.

CERTIFIED TRUE COPY

A handwritten signature in blue ink is written over a horizontal line. To the right of the signature is a circular blue stamp with the text "TPL TRAKKER LIMITED" around the perimeter and "SECRETARY" in the center.

Danish Qazi
Company Secretary

Dated: November 22, 2017



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Internet www.kpmg.com.pk

Mr. Ali Asgher
Vice President, Finance
TPL Holdings (Private) Limited
12th Floor, Centrepoint
Shaheed-e-Millat Expressway
Karachi

Our ref: KFAS-SAR-368

Contact: Adnan Rizvi
Partner (DA)

Mr. Yousuf Zohaib Ali
Chief Financial Officer
TPL Trakker Limited
12th Floor, Centrepoint
Shaheed-e-Millat Expressway
Karachi

23 December 2016

Dear Sirs,

Share Swap Ratio Letter

We refer to our engagement letter KFAS-SAR-361 whereby KPMG Taseer Hadi & Co. was engaged to calculate the share swap ratio between TPL Properties Limited ("TLP") and TPL Trakker Limited ("TPLT") in the context of proposed group restructuring.

Scope of Work

We were required to conduct valuation of TLP and TPLT as at 30 June 2016 in order to calculate the share swap ratio. We used the audited financial statements of TLP and TPLT for the year ended 30 June 2016 along with their five year financial projections.

Further we were provided other related information and explanations as and when required in order to carry out the valuation. We have not conducted any verification of the said audited financial statements and related information.

Working

Swap Ratio working				
Valuation method	DCF	NAV	MV	Average
TPL Properties Limited	20.42	15.37	12.50	16.10
TPL Trakker Limited	21.16	16.54	13.00	16.90
Swap ratio - for 1 share of TPLP	0.97	0.93	0.96	0.95

Conclusion

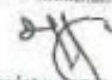
Based on the work carried out as per the scope mentioned above, we recommend the following share swap ratio:

1 share of TPLP equals 0.95 shares of TPLT

Yours faithfully,

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Presented on... 31-12-16


Deputy Registrar (C.S.)

D

**IN THE HIGH COURT OF SINDH AT KARACHI
(COMPANIES JURISDICTION)**

J. C. M. PETITION NO. 48 OF 2016

In the matter of:
Sections 284 to 288 of the Companies Ordinance, 1984


30-DEC-2016
10-DEC-2016

1. **TPL TRAKKER LIMITED**, a public company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, having its Registered Office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi.
2. **TPL MAPS (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, having its Registered Office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi.
3. **TPL VEHICLE TRACKING (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, having its Registered Office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi.
4. **TPL HOLDINGS (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, having its

Registered Office at 12th Floor,
Centrepoint, Off Shaheed-e-Millat
Expressway, Near KPT Interchange
Flyover, Karachi.

3

.....PETITIONERS

PETITION UNDER SECTION 284 READ WITH
SECTIONS 285 TO 288 OF THE COMPANIES ORDINANCE, 1984



ORDER SHEET
HIGH COURT OF SINDH AT KARACHI

J.C.M. No.48 of 2016

DATE ORDER WITH SIGNATURE OF JUDGE

Present:-
Mr.Justice Muhammad Ali Mazhar

TPL Trakker Limited & others.....Petitioners

Date of hearing: 12.09.2017.

M/s.Arshad Tayyabley and Mikael Azmat Rahim,
Advocates for the Petitioners.

Mr.Imran Shamsi, Deputy Director Law, SECP.

Muhammad Ali Mazhar, J: This petition has been put forward under Section 284 read with Sections 285 to 288 of the Companies Ordinance, 1984 for an order under Section 287(1) of the Companies Ordinance for transferring to and vesting in the specific segments of the petitioner No.1 business enterprise together with petitioner No.2 by means of envisioned Scheme for Arrangement.

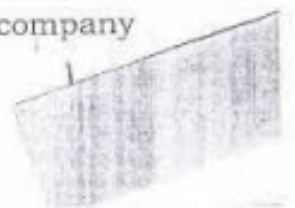
2. The transitory facts are that the petitioners have moved this petition for sanction of the scheme of arrangement dated 30.12.2016. The demerger of specific portions of the undertaking of Maps undertaking and Trakker undertaking as described in the Scheme of Arrangement and its merger with the petitioner No.2 and petitioner No.3 and the demerger of a specific portion of the undertaking of the petitioner No.4 as described in the



Scheme of Arrangement and merger of the same with the petitioner No.1 bearing in mind the diagram depicting the existing structure of the petitioners (as part of the group) and the proposed structure.

3. The learned counsel for the petitioners argued that petitioner No.1 is a listed company generally engaged in the business of installation and sale of tracking devices and fleet management as well as holding shares in various companies whereas the petitioner No.2 and 3 have been incorporated specifically for the purposes of the reorganization/restructuring intended to be carried out pursuant to the scheme. Upon sanction of the scheme, the petitioner No.2 will carry on the maps business, while the petitioner No.3 will carry on the business pertaining to vehicle tracking, which are both currently being carried out by the petitioner No.1. The petitioner No.4 is authorized to carry on the business of manufacturing, assembling and providing vehicle and fleet management systems, as well as acquiring and holding shares in other companies. The learned counsel demonstrated that under the court orders separate meeting of the petitioners shareholders/members were convened and the scheme was sanctioned by majority without any demur or opposition. Not a single shareholder or secured creditor objected to the Scheme of Arrangement.

4. The Additional Registrar of Companies, SECP filed comments. The Deputy Registrar, SECP argued that NOCs of the creditors with respect to charge/mortgage registered with SECP of petitioner No.2 and petitioner No.4 have not been provided. Under the Scheme the undertaking of petitioner No.1 which is a listed company

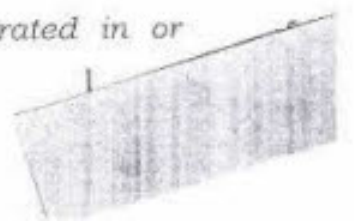


will be demerged into petitioner No.2 and petitioner No.3 which are private limited companies. Hence, effectively, the major undertaking/assets of the petitioner No.1 will be transferred to two private limited companies which fall under lower regulatory regime with no code of corporate governance and lesser regulatory supervision and scrutiny. The demerger should only be allowed subject to subsequent mandatory listing of the petitioners 2 and 3 within six months' time after the order. Through the Scheme, the petitioners also seek approval for acquisition of TPL Properties Limited (TPLP's) shares by petitioner No.1 from petitioner 4. The petitioner 1 had earlier disclosed under Note 18.1 to its Account for the year ended June, 30, 2016 that it is considering divesting its shareholding in TPLP. Therefore, acquisition of further shares for greater control of TPLP by the petitioner 1 against its own shares as envisaged in the scheme of arrangements is not in line with the disclosure given in the Accounts. Further, petitioner No.4 is already the ultimate parent company of all other petitioners and TPLP. The acquisition of TPLP's shares by petitioner No.1, which is a listed company from petitioner No.4, which is private company may affect the interest of minority shareholders.



5. In rebuttal, the learned counsel for the petitioners argued that the necessary approvals/NOCs of the creditors of the Petitioners No. 1 and 4 have already been obtained at the respective meetings of the secured creditors of the Petitioners No. 1 and 4 in accordance with the provisions of the Ordinance. The copies of the NOCs issued by the creditors are attached to the Chairman's Reports. He added that there is no legal requirement under the Ordinance or the Companies Act,

2017 which mandates that a listed company's subsidiaries are also required to be listed companies. In the past, numerous demergers have taken place where a portion of a listed company merges into a private limited company for which reference can be made to 2015 CLD 2010. Since the petitioners No.2 and 3 shall be subsidiaries of the petitioner No.1, the annual audited accounts of the petitioner No. 1, which are made available to the public and submitted to the SECP are prepared on a stand-alone basis as well as a consolidated basis. Any decision in future to list the shares of the petitioner No.3 will be subject to complying with the applicable laws. He also pointed out that the shares of TPL Properties Limited which are held by the Petitioner No. 4 will vest in its subsidiary i.e. the Petitioner No. 1 that will have no impact on the market. Notwithstanding the above, subsequent to the discussions with the SECP, the minimum marketable lot size of the shares of TPL Properties Limited has been reduced by the SECP to 500 shares. The suit filed by TPL Properties Limited with respect to the lot size of the shares has been withdrawn. The proposed arrangement can validly and legally be carried out under Sections 284 to 288 of the Ordinance; accordingly, the issue of bypassing the requirements of Section 208 of the Ordinance does not arise. In response to the court query regarding the approval from Competition Commission of Pakistan, the learned counsel replied that the approval of the Competition Commission of Pakistan is not required for the subject de-mergers/mergers under the Competition Act, 2010 as the petitioners are exempt from the same. He referred to Regulation 5(1) (ii) of the Competition (Merger Control) Regulations, 2016, which provides that "a transaction in which a holding company (whether incorporated in or



outside Pakistan), merges, amalgamates, combines or ventures jointly with its subsidiary or the subsidiaries thereof ..." is exempt from filing a pre-merger notification and obtaining the approval of the Competition Commission of Pakistan. He maintained that petitioners No. 2 and 3 are wholly owned subsidiaries of the petitioner No. 1 and that the petitioner No.1 is a subsidiary of the Petitioner No.4, resultantly, the petitioners and the de-mergers/mergers envisaged under the Scheme of Arrangement fall within the ambit of exemption provided under Regulation 5(1) (ii).

6. Heard the arguments. To start with I would like to preview and foretaste the recital of the scheme of arrangements which for the ease of reference reproduced as under:-



"1. The undertaking comprising the Assets, Liabilities and Obligations of TPLT shall be split into 3 (three) separate segments i.e. The Maps Undertaking, the Trakker Undertaking and the Retained Undertaking.

2. The segment comprising all the Assets, Liabilities and Obligations of the Maps Undertaking shall be carved out and, as at the Effective Date stand merged with, transferred to, vested in, and be assumed by TPLM.

3. As consideration for the above, it is proposed that TPLM Shares shall be issued to TPLT in accordance with this Scheme.

4. The segment comprising all the Assets, Liabilities and Obligations of the Trakker Undertaking shall be carved out and, as at the effective date, stand merged with transferred to, vested in, and be assumed by TPLV.

5. As consideration for the above, it is proposed that TPLV Shares shall be issued to TPLT in accordance with this Scheme.

6. Upon the merger and transfer of the Maps Undertaking and Takker Undertaking to TPLM and TPLV respectively in the manner prescribed under this Scheme, TPLT shall continue to own and operate the Retained Undertaking, TPLM shall own and operate the Maps Undertaking and TPLV shall own and operate the Trakker Undertaking, each as independent companies without any company being wound up.

7. Simultaneously, the undertaking comprising the Assets, Liabilities and Obligations of TPLH shall be split into 2 (two) separate segments i.e. the properties undertaking and the holdings undertaking.

8. The segment comprising all the Assets, Liabilities and Obligations of the properties undertaking shall be carved out and, as at the effective date, stand merged with, transferred to, vested in, and be assumed by TPLT.

9. As consideration for the above, it is proposed that TPLT shares shall be issued to TPLH in accordance with this scheme.

10. Upon the merger and transfer of the properties undertaking to TPLT in the manner prescribed under this scheme, TPLH shall continue to own and operate the holdings undertaking, while TPLT shall own and operate the properties undertaking, each as independent companies without any company being wound up.

11. This scheme if approved by the respective shareholders of TPLT, TPLM, TPLV and TPLH, through a special resolution, 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 TPLT, TPLM, TPLV and TPLH along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities and any other regulatory/statutory bodies of or with respect to TPLT, TPLM, TPLV and TPLH respectively.

The demergers contemplated under the scheme of arrangement would have significant benefits for the petitioner companies and their respective stakeholders, which are stipulated in the scheme of arrangement under the heading benefits of scheme including separation of business which are distinct in nature, fulfillment of objectives of long term growth and expansion, distribution of risk, achieving specialization, creating a larger asset base, and achieving the structure of a holding company."



7. Article 2 of the scheme of arrangement furthermore stipulates and lay down the aspirations and objects of the scheme as follows:

- 2.1 The principal object of this Scheme is to give effect to the following:
- (i) separate / demerge the Maps Undertaking from TPLT and amalgamate the same with and into TPLM by transferring to, merging with and vesting in TPLM the whole of the Maps Undertaking, including all Assets, Liabilities and Obligations of the Maps Undertaking, as of the Effective Date, against the allotment and issue of TPLM Shares to TPLT in accordance with the provisions of this Scheme (the "Maps Amalgamation");
 - (ii) simultaneously, separate / demerge the Trakker Undertaking from TPLT and amalgamate the same with and into TPLV by transferring to, merging with and vesting in TPLV the whole of the Trakker Undertaking, including all Assets, Liabilities and Obligations of the Trakker Undertaking, as of the Effective Date, against the allotment and issue of TPLV Shares to TPLT in accordance with the provisions of this Scheme (the "Trakker Amalgamation"); and
 - (iii) simultaneously, separate / demerge the Properties Undertaking from TPLH and amalgamate the same with and into TPLT by transferring to, merging with and vesting in

TPLT the whole of the Properties Undertaking, including all Assets, Liabilities and Obligations of the Properties Undertaking, as of the Effective Date, against the allotment and issue of TPLT Shares to TPLH in accordance with the provisions of this Scheme (the "Properties Amalgamation").

- 2.2 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.
- 2.3 The Retained Undertaking shall not at any time be transferred to or vest in either TPLM or TPLV and the same shall at all times remain part of TPLT.
- 2.4 The Holdings Undertaking shall not at any time be transferred to or vest in TPLT and the same shall at all times remain part of TPLH.

8. Vide order dated 12.01.2017, this court directed the petitioners to hold separate meetings of the shareholders and creditors of the petitioner companies in terms of Rule 55 of the Companies (Court) Rules, 1997 and submit reports accordingly. In compliance, the Director and CEO of the petitioner No.1 submitted a report on 21.04.2017 and confirmed that the meeting was convened on 14.04.2017 with the requisite quorum present to discuss the Scheme of Arrangement and after due contemplation and consideration, the members/shareholders of the petitioner No. 1 resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, (i) the bifurcation/separation of TPL Trakker Limited into three segments/undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking; (ii) the merger, by way of amalgamation, of the maps undertaking with and into TPL Maps (Private) Limited and the trakker undertaking with and into TPL Vehicle Tracking (Private) Limited; (iii) the bifurcation/separation of TPLP Holdings (Private) Limited into 2 segments/undertakings i.e. the properties undertaking and the holdings undertaking, and merger, by way of amalgamation, of the properties undertaking with and into TPL Trakker 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 Ordinance, 1984.

FURTHER RESOLVED THAT subject to fulfilling any documentary formalities/requirements, the name of the company be altered/changed from "TPL Trakker Limited" to "TPL Corp Limited" upon the sanction of the Scheme of Arrangement by the Honorable High Court of Sindh, in the manner prescribed thereunder, and consequently the name



be changed in the Memorandum and Articles of Association of the company."

The Chief Financial Officer of the Petitioner No.1, submitted a report on 16.05.2017 confirming that notices of the meeting of the secured creditors of the petitioner No.1 were dispatched to the secured creditors on 19.04.2017 while the meeting was convened on 09.05.2017. After due contemplation and consideration of the Scheme of Arrangement, the secured creditors of the petitioner No. 1 resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, (i) the bifurcation/separation of TPL Trakker Limited into three segments/undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking; (ii) the merger, by way of amalgamation, of the maps undertaking with and into TPL Maps (Private) Limited and the trakker undertaking with and into TPL Vehicle Tracking (Private) Limited; (iii) the bifurcation / separation of TPLP Holdings (Private) Limited into 2 segments/ undertakings i.e. the properties undertaking and the holdings undertaking, and merger, by way of amalgamation, of the properties undertaking with and into TPL Trakker 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 Ordinance, 1984."

The Director of the petitioner No. 2, submitted the report on 16.05.2017. He also confirmed that notices were dispatched to the members and that the meeting was held on 15.05.2017. The members/shareholders of the Petitioner No. 2 resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, the bifurcation / separation of TPL Trakker Limited into three segments / undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking, and the merger, by way of amalgamation, of the maps undertaking with and into TPL Maps (Private) 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 Ordinance, 1984."

The Director of the petitioner No. 3, submitted the report on 16.05.2017. He also confirmed that notices were dispatched to the members of the petitioner No. 3 and the meeting was held on 15.05.2017 where the members/shareholders of the petitioner No. 3 had resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, the bifurcation/



separation of TPL Trakker Limited into three segments/undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking, and the merger, by way of amalgamation, of the trakker undertaking with and into TPL Vehicle Tracking (Private) 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 Ordinance, 1984."

The Director of the petitioner No. 4 submitted the report on 16.05.2017. He confirmed that notices were dispatched to the members of the petitioner No. 4 on 24.04.2017, The meeting was convened on 15.05.2017 with the requisite quorum and after due contemplation and consideration, the members/shareholders of the Petitioner No. 4 resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, the bifurcation/separation of TPLP Holdings (Private) Limited into two segments/undertakings i.e. the properties undertaking and the holdings undertaking, and merger, by way of amalgamation, of the properties undertaking with and into TPL Trakker 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 Ordinance, 1984."

He also submitted a report confirming that notice of the meeting of the secured creditor of the petitioner No.4 was also dispatched to the secured creditor who resolved as under:

"RESOLVED THAT the Scheme of Arrangement dated December 30, 2016, for, inter alia, (i) the bifurcation/separation of TPL Trakker Limited into three segments/undertakings i.e. the maps undertaking, the trakker undertaking and the retained undertaking; (ii) the merger, by way of amalgamation, of the maps undertaking with and into TPL Maps (Private) Limited and the trakker undertaking with and into TPL Vehicle Tracking (Private) Limited; (iii) the bifurcation/separation of TPLP Holdings (Private) Limited into 2 segments/undertakings i.e. the properties undertaking and the holdings undertaking, and merger, by way of amalgamation, of the properties undertaking with and into TPL Trakker 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 Ordinance, 1984."

9. The Mergers and acquisitions are the businesses in which the ownership of companies or their operating



units are conveyed or conjoined which is an amalgamation of two entities into one entity. This represents and epitomizes in accordance with which one company takes over one or more company's assets, rights and obligations as a whole in return for the shareholders of the latter company receiving a consideration in the form of shares in the transferee company whereas demerger connotes and designates some or all of the transferor company's assets, rights and obligations which are to be divided between one or more transferee companies in return for the shareholders in the transferor company receiving consideration in the form of shares in the company. The de-merger is a business stratagem in which a single business is broken into components. This allows a conglomerate to split off its different varieties to invite or prevent an acquisition, to raise capital by selling off components that are no longer part of the business's fundamental merchandise line or to generate distinct lawful entities to manage diverse managements. It is in fact is a method of corporate streamlining and restructuring by dint of which business operations are segregated into one or more components.



10. In the proceedings of **International Complex Projects Limited & another** reported in **2017 CLD 1468, (authored by me)** I have conversed and delineated that the role and character of the court in identical matter is reminiscent of supervisory nature which is also close to judicial review of administrative action. However, in case court finds that the scheme is fraudulent or intended to be cloak to recover the misdeeds of the directors, the court may reject the scheme in the beginning. The court can lift the corporate veil for the purpose of ascertaining the real motive behind the

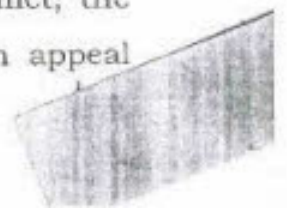
scheme. In the case of Sidhpur Mills Co. Ltd. (AIR 1962 Guj. 305), the learned Judge while pointing out the correct approach for sanctioning of scheme held that the scheme should not be scrutinized in the way a carping critic, a hairsplitting expert, a meticulous accountant or a fastidious counsel would do it, each trying to find out from his professional point of view what loopholes are present in the scheme, what technical mistakes have been committed, what accounting errors have crept in or what legal rights of one or the other sides have or have not been protected. But it must be tested from the point of view of an ordinary reasonable shareholder acting in a business-like manner taking with his comprehension and bearing in mind all the circumstances prevailing at the time when the meeting was called upon to consider the scheme in question.

11. Where the scheme is found to be reasonable and fair, at that juncture it is not the sense of duty or province of the court to supplement or substitute its judgment against the collective wisdom and intellect of the shareholders of the companies involved. Nevertheless, it is the duty of the court to find out and perceive whether all provisions of law and directions of the court have been complied with and when the scheme seems like in the interest of the company as well as in that of its creditors, it should be given effect to. The court has to satisfy and reassure the accomplishment of some foremost and rudimentary stipulations that is to say, the meeting was appropriately called together and conducted; the compromise was a real compromise; it was accepted by a competent majority; the majority was acting in good faith and for common advantage of the whole class; what they did was reasonable, prudent and proper; the court



should also satisfy itself as to whether the provisions of the statute have been complied with; whether the scheme is reasonable and practical or whether there is any reasonable objection to it; whether the creditors acted honestly and in good faith and had sufficient information; whether the court ought in the public interest to override the decision of the creditors and shareholders. Where all the requisite formalities were complied with including shareholders' approval, the court would not question the commercial wisdom behind the scheme.

12. Being a sanctioning court, I have noticed that all requisite statutory procedure and formalities have been complied with by the petitioners including the holding/convening the requisite meetings as contemplated under the relevant provisions and rules of Companies Ordinance 1984. The scheme set up for sanction has been reinforced and fortified by the requisite majority which decision seems to be just and fair. The report/minutes of meetings unequivocally convey that all essential and fundamental characteristics and attributes of scheme of arrangement were placed before the voters at the concerned meetings to live up to statutory obligations. The proposed scheme of compromise and arrangement is not found to be violative of any provision of law and or contrary to public policy. The scheme as a whole look like evenhanded and serviceable from the point of view of prudent men of business taking a commercial decision beneficial to the class represented by them for whom the scheme is meant. Once the requirements of a scheme for getting sanction of the court are found to have been met, the court will have no further jurisdiction to sit in appeal



over the commercial wisdom of the majority of the class of persons who with their open eyes have given their approval of the scheme.

13. As a result of above discussion, the Scheme of Arrangement is sanctioned as prayed. The petition is disposed of accordingly.

SD/- Muhammad Ali Magha's



CERTIFIED TO BE TRUE COPY

[Signature]
17-11-2017
Assistant Registrar (Copying)

HIGH COURT OF SINDH AT KARACHI
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SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984

Annexure **I**

INVOLVING

TPL TRAKKER LIMITED

AND

TPL MAPS (PRIVATE) LIMITED

AND

TPL VEHICLE TRACKING (PRIVATE) LIMITED

AND

TPL HOLDINGS (PRIVATE) LIMITED

FOR

The corporate restructuring of certain TPL Group companies involving (i) separating / de-merging TPL Trakker Limited's maps undertaking and trakker undertaking and merging / amalgamating the same with and into TPL Maps (Private) Limited and TPL Vehicle Tracking (Private) Limited respectively, against the issue of shares by TPL Maps (Private) Limited and TPL Vehicle Tracking (Private) Limited to TPL Trakker Limited; and (ii) separating / de-merging the properties undertaking from TPL Holdings (Private) Limited and merging / amalgamating the same with and into TPL Trakker Limited, against the issue of shares of TPL Trakker Limited to TPL Holdings (Private) Limited, along with all ancillary matters.

BETWEEN

TPL TRAKKER 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 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi (hereinafter referred to as "TPLT", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

TPL MAPS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi (hereinafter referred to as "TPLM", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

TPL VEHICLE TRACKING (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi (hereinafter referred to as "TPLV", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

TPL HOLDINGS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi (hereinafter referred to as "TPLH", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

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

1. The undertaking comprising the Assets, Liabilities and Obligations of TPLT shall be split into 3 (three) separate segments i.e. the Maps Undertaking, the Trakker Undertaking and the Retained Undertaking.
2. The segment comprising all the Assets, Liabilities and Obligations of the Maps Undertaking shall be carved out and, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by TPLM.

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3. As consideration for the above, it is proposed that TPLM Shares shall be issued to TPLT in accordance with this Scheme.
 4. The segment comprising all the Assets, Liabilities and Obligations of the Trakker Undertaking shall be carved out and, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by TPLV.
 5. As consideration for the above, it is proposed that TPLV Shares shall be issued to TPLT in accordance with this Scheme.
 6. Upon the merger and transfer of the Maps Undertaking and Trakker Undertaking to TPLM and TPLV respectively in the manner prescribed under this Scheme, TPLT shall continue to own and operate the Retained Undertaking, TPLM shall own and operate the Maps Undertaking and TPLV shall own and operate the Trakker Undertaking, each as independent companies without any company being wound up.
 7. Simultaneously, the undertaking comprising the Assets, Liabilities and Obligations of TPLH shall be split into 2 (two) separate segments i.e. the Properties Undertaking and the Holdings Undertaking.
 8. The segment comprising all the Assets, Liabilities and Obligations of the Properties Undertaking shall be carved out and, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by TPLT.
 9. As consideration for the above, it is proposed that TPLT Shares shall be issued to TPLH in accordance with this Scheme.
 10. Upon the merger and transfer of the Properties Undertaking to TPLT in the manner prescribed under this Scheme, TPLH shall continue to own and operate the Holdings Undertaking, while TPLT shall own and operate the Properties Undertaking, each as independent companies without any company being wound up.
 11. This Scheme, if approved by the respective shareholders of TPLT, TPLM, TPLV and TPLH, through a special resolution, 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 TPLT, TPLM, TPLV and TPLH along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to TPLT, TPLM, TPLV and TPLH (as applicable) respectively.

A. Separation of businesses of TPLT being distinct in nature

The existing business of TPLT can be categorized under 3 (three) broad separate heads i.e. (i) maps and navigation; (ii) trakker / vehicle tracking services; and (iii) miscellaneous, including investments, which are completely distinct in nature, require different approaches and separate facilities and managements.

The business segment pertaining to maps carries on the business of, *inter alia*, navigation, maps and surveys, which primarily involves software and applications. On the other hand, the segment pertaining to trakker / vehicle tracking services carries on the business of installation and sale of tracking devices, providing vehicle tracking services and fleet management, which is very different from the other business segments.

Since each of the business undertakings / segments of TPLT are completely different from one another, it is prudent and beneficial to separate these segments so that the same can be managed, operated and developed independently and effectively. Furthermore, by separating the business segments, the individual companies shall have unique identities and a more focussed business and customer base, while remaining under the holding of TPLT.

B. Objectives of Long Term Growth and Expansion

Separation of the Maps Undertaking and the Trakker Undertaking from TPLT, and merger of the same with and into TPLM and TPLV respectively, will allow the management of each of the latter companies to focus on the business segments intended to be carried out by the respective companies, resulting in better performance of the same (particularly since TPLM and TPLV have been incorporated for such specific purposes). At the same time the respective managements shall be able to apply their skills and experience towards the long term growth of their respective companies and even expand the businesses, which will ultimately benefit the stakeholders of TPLT. The separation of the business segments will also allow the companies to direct their efforts towards the applicable segments allowing the respective companies to thrive in the upcoming market which will benefit the shareholders and the companies.

C. Distribution of Risk

The separation of the Maps Undertaking and the Trakker Undertaking from TPLT, and the amalgamation of the same with and into TPLM and TPLV respectively, shall distribute the risk of carrying on business. Subsequent to the Maps Amalgamation and Trakker Amalgamation, loss, damage, market variation or other potential risks arising out of any adverse and uncertain operating environment with respect to one business segment will not undermine or have a detrimental impact on the other. This shall provide greater stability to each company as well as protection to the shareholders of TPLT.

D. Specialization

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TPLM and TPLV, by specializing in the respective business segments will be able to use the facilities and management available to each company more effectively. At the same time such specialization is expected to allow each company to improve the products / services offered, allowing them to become leading suppliers / service providers, resulting in greater revenue.

E. Preferable for Investors

Business strategies involving the specialization of fields, particularly where the business segments have potential and / or are large enough to diversify and expand within the field, are also more attractive to investors, which may potentially result in more equity and growth for the respective companies (and ultimately benefit TPLT and its shareholders). This will benefit the shareholders of TPLT, including in the event TPLT invites persons to invest in the shares of TPLM or TPLV or sell the same.

F. Larger Asset Base for TPLT

The Properties Amalgamation would lead to an increased asset base of TPLT, which is a listed company. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of equity and asset base would also provide greater comfort to existing and potential creditors of TPLT.

G. Consolidation of Shareholding

The Properties Amalgamation would allow TPLT to hold the shares of TPL Properties, without having to pay upfront cash consideration for the same. Pursuant to the Properties Amalgamation, the shareholders of TPLT would benefit from additional shareholding of TPL Properties, which is a listed company, and TPLT would have greater control over the said company.

H. Holding Company

The Amalgamations would allow TPLT to act as a holding company in respect of various businesses / entities; accordingly, while TPLT can oversee, supervise and control the same (to the extent applicable), the management of the respective businesses / subsidiaries shall operate the businesses on a regular basis. This structure would result in the businesses / entities being managed and carried out in a more effective and efficient manner, thus benefitting TPLT's shareholders.

ARTICLE 1

DEFINITIONS

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

"Amalgamations" means collectively the Maps Amalgamation, the Properties Amalgamation and the Trakker Amalgamation;

"Annexure A" is the annexure attached hereto which contains the details of the Maps Undertaking;

"Annexure B" is the annexure attached hereto which contains the details of the Trakker Undertaking;

"Annexure C" is the annexure attached hereto which contains the details of the Properties Undertaking;

"Annexure D" is the annexure attached hereto which lists the members of the Board of Directors of TPLT;

"Annexure E" is the annexure attached hereto which lists the members of the Board of Directors of TPLM;

"Annexure F" is the annexure attached hereto which lists the members of the Board of Directors of TPLV;

"Annexure G" is the annexure attached hereto which lists the members of the Board of Directors of TPLH;

"Annexure H" is the annexure attached hereto which lists the Particulars of the Creditors of TPLT and the TPLT Loans;

"Annexure I" is the annexure attached hereto which lists the Maps Employees;

"Annexure J" is the annexure attached hereto which lists the Trakker Employees;

"Annexure K" is the annexure attached hereto of the balance sheet of TPLT as of June 30, 2016, including a break-up of the Maps Undertaking, Trakker Undertaking and the Retained Undertaking;

"Annexure L" is the annexure attached hereto containing the E&Y Report;

"Annexure M" is the annexure attached hereto containing the KPMG Letter;

"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, sanctions and authorizations, including all registrations, licences, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licences, liberties, secret processes, know-how, good-will 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; (ii) 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 and all other documents of whatever nature relating thereto; (iii) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); and (iv) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims;

"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;

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

"Completion Date" has the same meaning as prescribed thereto in Article 3.1. of this Scheme;

"Contingent Claims" 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;

"Contract" means any contracts, agreements, deeds, instruments, 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;

"Creditors of TPLT" means the secured creditors of TPLT as particularized in Annexure H attached hereto;

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

"E&Y Report" means the report dated December 24, 2016, issued by EY Ford Rhodes, Chartered Accountants, attached hereto as Annexure L;

"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;

"Holdings Undertaking" means all the Assets, Liabilities and Obligations of TPLH, excluding the Properties Undertaking;

"KPMG Letter" means the letter dated December 23, 2016, issued by KPMG Taseer Hadi & Co., attached hereto as Annexure M, containing, *inter alia*, the TPLT Swap Ratio;

"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 the term "Liabilities" and "Obligations" are used interchangeably and / or in conjunction with each other;

"Liquidation" means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

"Maps Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1.(i) of this Scheme;

"Maps Employees" means all employees of TPLT who are employed wholly or principally for the purposes of the business segment pertaining to the Maps Undertaking as listed in Annexure I attached hereto;

"Maps Undertaking" means the specific Assets, Liabilities and Obligations of TPLT, pertaining to its maps / navigation undertaking / segment, as more specifically described in Annexure A attached hereto;

"Ordinance" means the Companies Ordinance, 1984;

"Properties Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1.(iii) of this Scheme;

"Properties Undertaking" means the specific Assets, Liabilities and Obligations of TPLH, pertaining to its shareholding of TPL Properties, as more specifically described in Annexure C attached hereto;

"Retained Undertaking" means all the Assets, Liabilities and Obligations of TPLT, excluding the Maps Undertaking and the Trakker Undertaking;

"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 or charges (whether legal or equitable), debentures, 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;

“TPL Properties” means TPL Properties Limited, a public company, listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 12th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi;

“TPLH” shall have the meaning as prescribed in the Preamble above;

“TPLM” shall have the meaning as prescribed in the Preamble above;

“TPLM Shares” means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of TPLM to be issued and allotted to TPLT, in accordance with Article 11.1. of this Scheme;

“TPLT” shall have the meaning as prescribed in the Preamble above;

“TPLT Loans” means the loans / financing availed by TPLT as of June 30, 2016 from the Creditors of TPLT as detailed in Annexure H attached hereto;

“TPLT Shares” means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of TPLT to be issued and allotted to TPLH, in accordance with Article 11.4. of this Scheme;

“TPLT Swap Ratio” shall have the same meaning as prescribed thereto in Article 11.4. of this Scheme;

“TPLV” shall have the meaning as prescribed in the Preamble above;

“TPLV Shares” means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of TPLV to be issued and allotted to TPLT, in accordance with Article 11.2. of this Scheme;

“Trakker Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1.(ii) of this Scheme;

“Trakker Employees” means all employees of TPLT who are employed wholly or principally for the purposes of the business segment pertaining to the Trakker Undertaking as listed in Annexure J attached hereto; and

“Trakker Undertaking” means the specific Assets, Liabilities and Obligations of TPLT, pertaining to its trakker / vehicle tracking undertaking / segment, as more specifically described in Annexure B attached hereto.

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to give effect to the following:
- (i) separate / demerge the Maps Undertaking from TPLT and amalgamate the same with and into TPLM by transferring to, merging with and vesting in TPLM the whole of the Maps Undertaking, including all Assets, Liabilities and Obligations of the Maps Undertaking, as of the Effective Date, against the allotment and issue of TPLM Shares to TPLT in accordance with the provisions of this Scheme (the "Maps Amalgamation");
 - (ii) simultaneously, separate / demerge the Trakker Undertaking from TPLT and amalgamate the same with and into TPLV by transferring to, merging with and vesting in TPLV the whole of the Trakker Undertaking, including all Assets, Liabilities and Obligations of the Trakker Undertaking, as of the Effective Date, against the allotment and issue of TPLV Shares to TPLT in accordance with the provisions of this Scheme (the "Trakker Amalgamation"); and
 - (iii) simultaneously, separate / demerge the Properties Undertaking from TPLH and amalgamate the same with and into TPLT by transferring to, merging with and vesting in TPLT the whole of the Properties Undertaking, including all Assets, Liabilities and Obligations of the Properties Undertaking, as of the Effective Date, against the allotment and issue of TPLT Shares to TPLH in accordance with the provisions of this Scheme (the "Properties Amalgamation").
- 2.2. 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.
- 2.3. The Retained Undertaking shall not at any time be transferred to or vest in either TPLM or TPLV and the same shall at all times remain part of TPLT.
- 2.4. The Holdings Undertaking shall not at any time be transferred to or vest in TPLT and the same shall at all times remain part of TPLH.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind TPLT, TPLM, TPLV and TPLH as soon as the certified copies of the order of the Court under Section 284 of the Ordinance, sanctioning this Scheme and making any necessary provisions under Section 287 of the Ordinance, have been filed with the Registrar of Companies, Karachi (hereinafter referred to as the "Completion Date"). When this Scheme becomes operative on the Completion Date, the Arrangement, in accordance with the Scheme, will be treated as having effect from the close of business on December 31, 2016 or at such other date as may be stated by the Court (hereinafter referred to as the "Effective Date").

- 3.2. Accordingly, as of the Effective Date and thereafter, until the Maps Undertaking, Trakker Undertaking and Properties Undertaking are actually transferred to and vested in TPLM, TPLV and TPLT respectively in terms of this Scheme, the business of (i) TPLT will be deemed to have been carried for and on account and for the benefit of TPLM (to the extent of the Maps Undertaking) and TPLV (to the extent of the Trakker Undertaking); and (ii) TPLH, to the extent of the Properties Undertaking, will be deemed to have been carried for and on account and for the benefit of TPLT.
- 3.3. The reserves including un-appropriated profits / losses of TPLT up to and immediately preceding the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in (i) TPLM, to the extent of the Maps Undertaking; (ii) TPLV, to the extent of the Trakker Undertaking; and (iii) TPLH, to the extent of the Retained Undertaking, and shall be accounted for on that basis in the books of account of TPLM, TPLV and TPLT respectively.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of TPLT is PKR 2,300,000,000/- (Pak Rupees Two Billion Three Hundred Million) divided into 230,000,000 (Two Hundred Thirty Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 217,248,963 (Two Hundred Seventeen Million Two Hundred Forty Eight Thousand Nine Hundred Sixty Three) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of TPLM is PKR 1,000,000/- (Pak Rupees One Million) divided into 100,000 (One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, out of which 10 (Ten) shares have been issued, fully subscribed to and paid up.
- 4.3. The authorized share capital of TPLV is PKR 1,000,000/- (Pak Rupees One Million) divided into 100,000 (One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, out of which 10 (Ten) shares have been issued, fully subscribed to and paid up.
- 4.4. The authorized share capital of TPLH is PKR 50,000,000/- (Pak Rupees Fifty Million) divided into 5,000,000 (Five Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 3,774,400 (Three Million Seven Hundred Seventy Four Thousand Four Hundred) shares have been issued, fully subscribed to and paid up.
- 4.5. Upon the sanction of this Scheme, and subject to the payment of the requisite fee, the authorized share capital of TPLT shall stand enhanced to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) divided into 250,000,000 (Two Hundred Fifty Million) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of TPLT shall stand amended. Approval of the shareholders of TPLT to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of TPLT, to the alteration of the Memorandum and Articles of Association of TPLT for the increase of the authorized share capital of TPLT to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million), as required in terms of the Ordinance.

- 4.6. Upon the sanction of this Scheme, and subject to the payment of the requisite fee, the authorized share capital of TPLM shall stand enhanced to PKR 225,000,000/- (Pak Rupees Two Hundred Twenty Five Million) divided into 22,500,000 (Twenty Two Million Five Hundred) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of TPLM shall stand amended. Approval of the shareholders of TPLM to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of TPLM, to the alteration of the Memorandum and Articles of Association of TPLM for the increase of the authorized share capital of TPLM to PKR 225,000,000/- (Pak Rupees Two Hundred Twenty Five Million), as required in terms of the Ordinance.
- 4.7. Upon the sanction of this Scheme, and subject to the payment of the requisite fee, the authorized share capital of TPLV shall stand enhanced to PKR 1,150,000,000/- (Pak Rupees One Billion One Hundred Fifty Million) divided into 115,000,000 (One Hundred Fifteen Million) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of TPLV shall stand amended. Approval of the shareholders of TPLV to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of TPLV, to the alteration of the Memorandum and Articles of Association of TPLV for the increase of the authorized share capital of TPLV to PKR 1,150,000,000 /- (Pak Rupees One Billion One Hundred Fifty Million), as required in terms of the Ordinance.
- 4.8. It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital of TPLH shall remain unchanged.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of TPLT are listed in Annexure D attached hereto.
- 5.2. The present directors of TPLM are listed in Annexure E attached hereto.
- 5.3. The present directors of TPLV are listed in Annexure F attached hereto.
- 5.4. The present directors of TPLH are listed in Annexure G attached hereto.
- 5.5. The respective directors of TPLT, TPLM, TPLV and TPLH are expected to continue as the directors after the Amalgamations / Completion Date, subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created.
- 5.6. All the directors of TPLT, TPLM, TPLV and TPLH have interest in the Amalgamations to the extent of their respective directorships and shareholdings in TPLT, TPLM, TPLV and TPLH (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of TPLT, TPLM, TPLV and TPLH (except as specified in this Scheme). Notwithstanding the above, it is added that Mr.

ARTICLE 6

MAPS AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, the entire Maps Undertaking shall be demerged / separated from TPLT and amalgamated with, stand transferred to and vest in TPLM upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) TPLM shall be able to carry out all the business with respect to the Maps Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) In consideration of the Maps Amalgamation, TPLM shall allot and issue TPLM Shares to TPLT.

6.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets comprised in the Maps Undertaking, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of TPLM, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by TPLT prior to the Maps Amalgamation.
- (ii) Furthermore, since the Liabilities and Obligations with respect to the Creditors of TPLT shall not be transferred to or stand vested in TPLM, the transfer of Assets with respect to the Maps Undertaking shall be free from all mortgages, charges or other encumbrances subsisting thereon, and the same shall automatically stand released on the Completion Date.

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Maps Undertaking, and specifically excluding any Liabilities and Obligations towards the Creditors of TPLT, shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of TPLM, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. TPLM's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation with respect to the Maps Undertaking, if required at any time, may be executed by officers of TPLM authorized in this regard.

6.5. **References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Maps Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Maps Undertaking to which TPLT is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by TPLT under any applicable law or instrument.

6.6. **Assets held in Trust, etc.**

Any Asset comprised in the Maps Undertaking which immediately before the Effective Date was held by TPLT as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by TPLM in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. **Contracts**

Every Contract to which TPLT is a party, which pertains to the Maps Undertaking, shall have effect as of the Effective Date as if:

- (i) TPLM had been a party thereto instead of TPLT; and
- (ii) Any reference (however worded and whether express or implied) to TPLT therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to TPLM.

6.8. **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to TPLT (pertaining to the Maps Undertaking) in writing shall have effect, as of the Effective Date, as if given to TPLM.

6.9. **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, TPLT, or payable at any place of business of TPLT, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the Maps Undertaking, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by TPLM, or were payable at the same place of business of TPLM.

6.10. **Custody of Documents**

The custody of any document, record or goods held by TPLT as bailee and duly recorded in their books that pass to TPLT under any Contract of bailment relating to any such document,

record or goods, which pertain to the Maps Undertaking, shall on that day become rights and obligations of TPLM.

6.11. Securities:

- (i) Any Security held immediately before the Effective Date by TPLT or by a nominee or agent of or trustee for TPLT, as security for the payment or discharge of any liability and obligation of a Customer, with respect to the Maps Undertaking, shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for TPLM and be available to TPLM (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in TPLM in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, TPLM shall be entitled to the rights and priorities to which TPLT would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the Maps Undertaking) shall, as of the Effective Date, be available to TPLM (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, TPLT or, as the case may be, TPLM were secured thereby immediately before that time (to the extent applicable to the Maps Undertaking).
- (iv) Any Security granted / created by TPLT over the Assets comprising the Maps Undertaking, including in favour of any Creditor of TPLT, as security for payment or discharge of any Liability and Obligation, shall automatically stand released and discharged on to the Completion Date.

6.12. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of TPLT pertaining to the Maps Undertaking, becomes a right, Claim or Liability of TPLM as of the Effective Date, TPLM shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of TPLM, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against TPLT with respect to the Maps Undertaking may be continued by or against TPLM.

6.13. Judgments

Any judgment or award obtained by or against TPLT with respect to the Maps Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against TPLT with respect to the Maps Undertaking, become enforceable by or against TPLM.

6.14. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against TPLT with respect to the Maps Undertaking, shall be admissible in evidence in respect of the same matter for or against TPLM.

6.15. Authorizations

Any authorizations / powers of attorney granted by TPLT to any persons (and particularly the Maps Employees) with respect to matters pertaining to the Maps Amalgamation shall continue to subsist subsequent to the Maps Undertaking and shall be deemed to be authorizations / powers of attorney granted by TPLM to such persons, until or unless otherwise revoked or modified by TPLM.

6.16. Clarification

The provisions contained in Articles 6.2 to 6.15. 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

TRAKKER AMALGAMATION

7.1. General Description

- (i) As of the Effective Date, the entire Trakker Undertaking shall be demerged / separated from TPLT and amalgamated with, stand transferred to and vest in TPLV upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) TPLV shall be able to carry out all the business with respect to the Trakker Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) The Retained Undertaking shall be retained by TPLT.
- (iv) In consideration of the Trakker Amalgamation, TPLV shall allot and issue TPLV Shares to TPLT.

7.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets comprised in the Trakker Undertaking, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of TPLV, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by TPLT prior to the Trakker Amalgamation.

- (ii) Furthermore, since the Liabilities and Obligations with respect to the Creditors of TPLT (i.e. the TPLT Loans) shall be entirely transferred to and stand vested in TPLV, the transfer of Assets with respect to the Trakker Undertaking shall be subject to such mortgages, charges or other encumbrances subsisting thereon.

7.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Trakker Undertaking, and specifically including the Liabilities and Obligations towards the Creditors of TPLT, shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of TPLV, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

7.4. TPLV's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation with respect to the Trakker Undertaking, if required at any time, may be executed by officers of TPLV authorized in this regard.

7.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Trakker Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Trakker Undertaking to which TPLT is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by TPLT under any applicable law or instrument.

7.6. Assets held in Trust, etc.

Any Asset comprised in the Trakker Undertaking which immediately before the Effective Date was held by TPLT as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by TPLV in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

7.7. Contracts

Every Contract to which TPLT is a party, which pertains to the Trakker Undertaking, shall have effect as of the Effective Date as if:

- (i) TPLV had been a party thereto instead of TPLT; and
- (ii) Any reference (however worded and whether express or implied) to TPLT therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to TPLV.

7.8. **Bank Accounts**

Any account(s) maintained by TPLT with any bank or financial institution shall, with respect to the Trakker Undertaking, as of the Effective Date, become account(s) between TPLV and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of TPLV to vary the conditions or incidents subject to which any account is kept.

7.9. **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to TPLT (pertaining to the Trakker Undertaking) in writing shall have effect, as of the Effective Date, as if given to TPLV.

7.10. **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, TPLT, or payable at any place of business of TPLT, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the Trakker Undertaking, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by TPLV, or were payable at the same place of business of TPLV.

7.11. **Custody of Documents**

The custody of any document, record or goods held by TPLT as bailee and duly recorded in their books that pass to TPLT under any Contract of bailment relating to any such document, record or goods, which pertain to the Trakker Undertaking, shall on that day become rights and obligations of TPLV.

7.12. **Securities:**

- (i) Any Security held immediately before the Effective Date by TPLT or by a nominee or agent of or trustee for TPLT, as security for the payment or discharge of any liability and obligation of a Customer, with respect to the Trakker Undertaking, shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for TPLV and be available to TPLV (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in TPLV in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, TPLV shall be entitled to the rights and priorities to which TPLT would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the Trakker Undertaking) shall, as of the Effective Date, be available to TPLV (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge

of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, TPLT or, as the case may be, TPLV were secured thereby immediately before that time (to the extent applicable to the Trakker Undertaking).

- (iv) Securities granted / created by TPLT over the Assets comprising the Trakker Undertaking, in favour of the Creditors of TPLT, shall continue to remain operative and effective as Securities granted and created by TPLV in favour of its own creditors. To the extent that TPLT has granted any pari passu charge over the Assets of TPLT in favour of the Creditors of TPLT, upon the Trakker Amalgamation, the same shall be treated as a pari passu charge over the all the Assets of TPLV. It is clarified that any charge or security interest granted to a Creditor of TPLT by TPLT over specific Assets pertaining to the Trakker Undertaking, will continue to remain restricted to such specific assets upon the Trakker Amalgamation.

7.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of TPLT pertaining to the Trakker Undertaking, becomes a right, Claim or Liability of TPLV as of the Effective Date, TPLV shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of TPLV, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against TPLT with respect to the Trakker Undertaking may be continued by or against TPLV.

7.14. Judgments

Any judgment or award obtained by or against TPLT with respect to the Trakker Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against TPLT with respect to the Trakker Undertaking, become enforceable by or against TPLV.

7.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against TPLT with respect to the Trakker Undertaking, shall be admissible in evidence in respect of the same matter for or against TPLV.

7.16. Authorizations

Any authorizations / powers of attorney granted by TPLT to any persons (and particularly the Trakker Employees) with respect to matters pertaining to the Trakker Undertaking shall continue to subsist subsequent to the Trakker Amalgamation and shall be deemed to be authorizations / powers of attorney granted by TPLV to such persons, until or unless otherwise revoked or modified by TPLV.

7.17. Clarification

The provisions contained in Articles 7.2 to 7.16. 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.

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ARTICLE 8

PROPERTIES AMALGAMATION

8.1. General Description

- (i) As of the Effective Date, the whole of the Properties Undertaking shall be demerged / separated from TPLH and amalgamated with, stand transferred to and vest in TPLT upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) TPLT shall be able to carry out all the business with respect to the Properties Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) The Holdings Undertaking shall be retained by TPLH.
- (iv) In consideration of the Properties Amalgamation, TPLT shall allot and issue TPLT Shares to TPLH.

8.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets comprised in the Properties Undertaking, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of TPLT, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by TPLH prior to the Properties Amalgamation.
- (ii) Furthermore, although the Liabilities and Obligations with respect to any secured creditors of TPLH shall not be transferred to or stand vested in TPLT as a consequence of the Properties Amalgamation, the transfer of Assets with respect to the Properties Undertaking shall continue to be subject to the mortgages, charges or other encumbrances subsisting thereon till such time that the same are vacated / released in accordance with the applicable laws.

8.3. Transfer of Liabilities and Obligations

- (i) As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Properties Undertaking, and specifically excluding any Liabilities and Obligations towards any creditors of TPLH, shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of TPLT, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

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- (ii) Additionally, no Liabilities or Obligations with respect to any secured creditor of TPLH are being transferred to TPLT pursuant to the Properties Amalgamation.

8.4. TPLT's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation with respect to the Properties Undertaking, if required at any time, may be executed by officers of TPLT authorized in this regard.

8.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Properties Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Properties Undertaking to which TPLH is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by TPLH under any applicable law or instrument.

8.6. Assets held in Trust, etc.

Any Asset comprised in the Properties Undertaking which immediately before the Effective Date was held by TPLH as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by TPLT in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

8.7. Contracts

Every Contract to which TPLH is a party, which pertains to the Properties Undertaking, shall have effect as of the Effective Date as if:

- (i) TPLT had been a party thereto instead of TPLH; and
- (ii) Any reference (however worded and whether express or implied) to TPLH therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to TPLT.

8.8. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to TPLH (pertaining to the Properties Undertaking) in writing shall have effect, as of the Effective Date, as if given to TPLT.

8.9. Securities:

Any Security granted / created by TPLH over the Assets comprising the Properties Undertaking shall continue to remain operative and effective as Securities granted and created by TPLH.

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8.10. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of TPLH pertaining to the Properties Undertaking, becomes a right, Claim or Liability of TPLT as of the Effective Date, TPLT shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of TPLT, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against TPLH with respect to the Properties Undertaking may be continued by or against TPLT.

8.11. Judgments

Any judgment or award obtained by or against TPLH with respect to the Properties Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against TPLH with respect to the Properties Undertaking, become enforceable by or against TPLT.

8.12. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against TPLH with respect to the Properties Undertaking, shall be admissible in evidence in respect of the same matter for or against TPLT.

8.13. Clarification

The provisions contained in Articles 8.2 to 8.12. 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 9

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 9.1. Upon the Maps Amalgamation, TPLM shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Maps Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.
- 9.2. As of the Completion Date (but with effect from the Effective Date), TPLM shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of TPLT with respect to the Maps Undertaking.

- 9.3. Upon the Trakker Amalgamation, TPLV shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Trakker Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.
- 9.4. As of the Completion Date (but with effect from the Effective Date), TPLV shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of TPLT with respect to the Trakker Undertaking.
- 9.5. Upon the Properties Amalgamation, TPLT shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Properties Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.
- 9.6. As of the Completion Date (but with effect from the Effective Date), TPLT shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of TPLH with respect to the Properties Undertaking.

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ARTICLE 10

THE SCHEME'S EFFECT

- 10.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 10.2. The execution of this Scheme shall not: (i) constitute 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; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in TPLT and / or TPLM and / or TPLV and / or TPLH.
- 10.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on TPLT, TPLM, TPLV and TPLH, and also on all the respective shareholders of TPLT, TPLM, TPLV and TPLH, the Customers of each of TPLT, TPLM, TPLV and TPLH, 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 11

CONSIDERATION FOR THE AMALGAMATIONS

- 11.1. As consideration for the Maps Amalgamation, TPLM shall allot and issue, at par, an aggregate of 20,461,229 (Twenty Million Four Hundred Sixty One Thousand Two Hundred Twenty Nine) TPLM Shares to TPLT, credited as fully paid up, approved by the Board of Directors of each of

- 11.2. As consideration for the Trakker Amalgamation, TPLV shall allot and issue, at par, an aggregate of 110,253,284 (One Hundred Ten Million Two Hundred Fifty Three Thousand Two Hundred Eighty Four) TPLV Shares to TPLT, credited as fully paid up, approved by the Board of Directors of each of TPLT and TPLV, based on the valuations / calculations of EY Ford Rhodes, Chartered Accountants as stated in the E&Y Report.
- 11.3. The TPLM and TPLV shares to be issued to TPLT in the manner stipulated above have been determined on the basis of the annual audited accounts of TPLT for the year ended June 30, 2016, and the valuation of TPLT as carried out by EY Ford Rhodes, Chartered Accountants as of the said date, which have been approved by the Board of Directors of TPLT, TPLM and TPLV.
- 11.4. As consideration for the Properties Amalgamation, TPLT shall allot and issue, at par, an aggregate of 20,048,800 (Twenty Million Forty Eight Thousand Eight Hundred) TPLT Shares to TPLH, credited as fully paid up, on the basis of a swap ratio of 0.95 TPLT Shares for every 1 (one) share of TPL Properties (forming part of the Properties Undertaking) (the "TPLT Swap Ratio"), approved by the Board of Directors of each of TPLT and TPLH, based on the calculations / recommendation of KPMG Taseer Hadi & Co. as stated in the KPMG Letter.
- 11.5. The TPLT Swap Ratio has been determined on the basis of audited financial statements of TPL Properties and TPLT for the year ended June 30, 2016 along with their five year financial projections, and the relative calculations / recommendation of KPMG Taseer Hadi & Co. in terms of the KPMG Letter, as approved by the Board of Directors of each of TPLT and TPLH.
- 11.6. The allotment of the TPLM Shares, TPLV Shares and TPLT Shares (in accordance with the provisions of this Article 11) shall be made by the respective companies within 30 (Thirty) days from the Completion Date, subject to compliance with any legal formalities. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to TPLT / TPLH (as applicable) in the manner provided in the Articles of Association of respective companies. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the parties entitled thereto at their respective registered addresses. Neither TPLM nor TPLV nor TPLT shall be responsible for loss of the share certificates in such transmission. Alternatively, where the shares of any of the companies are or have been inducted in book entry form through the CDS, book entries relating to the shares to be issued in terms of this Article 11 shall be credited into the respective CDC accounts / sub-accounts of the relevant shareholder entitled to TPLM Shares / TPLV Shares / TPLT Shares. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 11.7. The TPLM Shares, TPLV Shares and TPLT Shares, issued and allotted to TPLT or TPLH (as applicable) in accordance with the provisions of this Scheme shall, in all respect, rank pari passu with the ordinary shares of TPLM, TPLV and TPLT respectively and shall be entitled to all dividends declared by the respective companies after the Completion Date.

DETERMINATION OF THE MAPS UNDERTAKING, TRAKKER UNDERTAKING AND RETAINED
UNDERTAKING

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- 12.1. The Assets, Liabilities, and Obligations comprising the Maps Undertaking, Trakker Undertaking and Retained Undertaking including, but not limited to, the reserves, accumulated profits and losses of the said undertakings, are based on the audited financial statements of TPLT for the year ended June 30, 2016. The basis of allocation of the Assets, Liabilities and Obligations with respect to the said undertakings has been stipulated in detail in the E&Y Report.
- 12.2. A balance sheet has been prepared by TLPL of the Assets, Liabilities and Obligations of TPLT comprising the Maps Undertaking, the Trakker Undertaking and the Retained Undertaking, and a break-up of the same, as reflected in the books of accounts of TPLT as of June 30, 2016, which has been reviewed by EY Ford Rhodes, Chartered Accountants and attached hereto as Annexure K.
- 12.3. Furthermore, a (segment wise) balance sheet shall be prepared by TPLT with respect to the Assets, Liabilities and Obligations of TPLT comprising the Maps Undertaking, Trakker Undertaking and the Retained Undertaking, as reflected in the books of accounts of TPLT as at the Completion Date, which shall be reviewed by EY Ford Rhodes, Chartered Accountants within 120 (one hundred twenty) from the Completion Date.
- 12.4. Any changes in the Assets, Liabilities and Obligations comprising the Maps Undertaking, the Trakker Undertaking and the Retained Undertaking, including the value thereof between June 30, 2016 and the Effective Date shall be adjusted after the Completion Date in such manner as may be deemed fit between TPLT, TPLM and TPLV.

ARTICLE 13

BOOKS AND ACCOUNTS

- 13.1. On and from the Effective Date, TPLT shall maintain separate books and accounts with respect to the Maps Undertaking, Trakker Undertaking and the Retained Undertaking. The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.
- 13.2. On and from the Effective Date, TPLH shall maintain separate books and accounts with respect to the Properties Undertaking and the Holdings Undertaking. The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.

ARTICLE 14

ARRANGEMENTS WITH RESPECT TO CREDITORS OF TPLT

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- 14.1. The Liabilities and Obligations of TPLT with respect to the Creditors of TPLT i.e. the TPLT Loans, including all financing arrangements and Securities provided by TPLT against such financing arrangements, shall be transferred to, stand vested in or be assumed by TPLV. Furthermore, any financing arrangements are availed by TPLT on or after the June 30, 2016 (subject to the provisions of Articles 14.3 and 14.4 below) shall also stand transferred to, vested in and assumed by TPLV as a consequence of this Scheme.
- 14.2. Although the Liabilities and Obligations with respect to the Creditors of TPLT shall no longer remain part of TPLT as a consequence of the Trakker Amalgamation, the Assets comprising the Retained Undertaking shall remain subject to all charges, mortgages and encumbrances subsisting thereon till such time that the same are vacated / released in accordance with the applicable laws.

ARRANGEMENTS WITH RESPECT TO CREDITORS OF TPLT

- 14.1. The Liabilities and Obligations of TPLT with respect to the Creditors of TPLT i.e. the TPLT Loans, including all financing arrangements and Securities provided by TPLT against such financing arrangements, shall be transferred to, stand vested in or be assumed by TPLV. Furthermore, any financing arrangements are availed by TPLT on or after the June 30, 2016 (subject to the provisions of Articles 14.3 and 14.4 below) shall also stand transferred to, vested in and assumed by TPLV as a consequence of this Scheme.
- 14.2. Although the Liabilities and Obligations with respect to the Creditors of TPLT shall no longer remain part of TPLT as a consequence of the Trakker Amalgamation, the Assets comprising the Retained Undertaking shall remain subject to all charges, mortgages and encumbrances subsisting thereon till such time that the same are vacated / released in accordance with the applicable laws.
- 14.3. Notwithstanding anything contained in this Scheme, in the event any financing arrangements are availed by TPLT with respect to the Maps Undertaking only on or after the Effective Date, which shall appear in the books and accounts of the Maps Undertaking (as prescribed under Article 13.1. above), the same shall stand transferred to, vested in and assumed by TPLM as a consequence of this Scheme.
- 14.4. Notwithstanding anything contained in this Scheme, in the event any financing arrangements are availed by TPLT with respect to the Retained Undertaking only on or after the Effective Date, which shall appear in the books and accounts of the Retained Undertaking (as prescribed under Article 13.1. above), the same shall stand not be transferred to, vested in and assumed by either TPLM or TPLV, and the same shall be retained by TPLT as a consequence of this Scheme.

ARTICLE 15

EMPLOYEES

- 15.1. On and from the Effective Date, all whole time officers and employees (including workmen) comprising the Maps Employees shall become the employees of TPLM at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.
- 15.2. On the Completion Date, proportionate amounts of TPLT's provident fund relating to the Maps Employees shall be transferred from such fund and vest in the trustees of a similar fund established by TPLM for the benefit of its employees, including the Maps Employees.
- 15.3. On the Completion Date, amounts standing to the credit of the Maps Employees with respect to TPLT's provident fund shall be transferred to and vest in the trustees of a similar fund established by TPLM for the benefit of its employees, including the Maps Employees.

- 15.4. On and from the Effective Date, all whole time officers and employees (including workmen) comprising the Trakker Employees shall become the employees of TPLV at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.
- 15.5. On the Completion Date, proportionate amounts of TPLT's provident fund relating to the Trakker Employees shall be transferred from such fund and vest in the trustees of a similar fund established by TPLV for the benefit of its employees, including the Trakker Employees.
- 15.6. On the Completion Date, amounts standing to the credit of the Trakker Employees with respect to TPLT's provident fund shall be transferred to and vest in the trustees of a similar fund established by TPLV for the benefit of its employees, including the Trakker Employees.

ARTICLE 16

CHANGE OF NAME OF TPLT

- 16.1. Upon the sanction of this Scheme, the name of TPLT shall stand changed / altered from "TPL Trakker Limited" to "TPL Corp Limited".
- 16.2. Without prejudice to the provisions of Article 16.1. above, TPLT shall fulfil any documentary formalities / requirements for the change of its name.

ARTICLE 17

GENERAL

17.1. Modifications by the High Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of TPLT, TPLM, TPLV and TPLH respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. 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 shareholders and / or creditors of TPLT and / or TPLM and / or TPLV and / or TPLH (as may be applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of TPLT and / or TPLM and / or TPLV and / or TPLH shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

17.2. Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

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17.3. 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.

17.4. Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect shall initially be borne by TPLT and subsequently will be apportioned to the group companies.

Karachi.

Dated: December 30, 2016.



For and on behalf of
TPL TRAKKER LIMITED

Name: YOUSUF ZOHAI B ALI

Designation: CFO

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For and on behalf of
TPL MAPS (PRIVATE) LIMITED

Name: MEHAR AMEER

Designation: COMPANY SECRETARY



For and on behalf of
TPL VEHICLE TRACKING (PRIVATE) LIMITED

Name: MEHAR AMEER

Designation: COMPANY SECRETARY



For and on behalf of
TPL HOLDINGS (PRIVATE) LIMITED

Name: YOUSUF ZOHAI B ALI

Designation: CFO

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Annex "B"

TPL Trakker Limited

Group reorganisation



Building a better
working world

ANNEXURE

L

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Building a better
working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
Karachi 75530
Pakistan

Reliance Restricted

TPL Trakker Limited
Centrepoint Building,
Off Shaheed-e-Millat Expressway,
Near KPT Interchange Flyover,
Karachi

Attn: Mr. Muhammad Ali Jameel
Chief Executive

Dear Sir:

In accordance with the Engagement Agreement AA/FBI/468/2016 dated 23 December 2016, we have evaluated and analysed accounting implications and pro forma carved-out balance sheet and profit and loss account prepared by the management of TPL Trakker Limited ("TPL") with respect to the group reorganisation of TPL under consideration.

Scope and nature of our work

The scope and nature of our work, including the basis and limitations, is detailed in our Engagement Agreement AA/FBI/468/2016 dated 23 December 2016. The scope of our work primarily comprise of providing comments on the accounting implications and specific procedures performed on the pro forma carved-out balance sheet and profit and loss account prepared by the management of TPL with respect to group reorganisation.

Purpose of our report and restrictions on its use

This report was prepared on your specific instructions solely to assist you in connection with analyzing accounting implications and pro forma carved-out balance sheet and profit and loss account prepared by you with respect to the group reorganization and should not be relied upon for any other purpose. Because others may use it for different purposes, this report should not be quoted, referred to or shown to any other party (other than the Courts in Pakistan for submission as a part of the Scheme of Arrangement and your professional advisers acting in that capacity in connection with the proposed group reorganisation provided that they accept that we assume no responsibility or liability whatsoever to them in respect of the contents) unless so required by court order or a regulatory authority, without our prior consent in writing.

AA/FBI/469A/2016
24 December 2016

EY Ford Rhodes assumes no responsibility whatsoever in respect of or arising out of or in connection with the contents of this report to parties other than TPL. If other parties choose to rely in any other way on the contents of this report they do so entirely at their own risk.

Limitations

Our work in connection with this assignment is of a different nature to that of an audit. Our report to you is based on the discussions with management on the group reorganisation and pro forma carved-out balance sheet and profit and loss account and other data and documents made available and procedures applied to data provided to us. We have not, except to such extent as you requested and we agreed to undertake, sought to verify independently the accuracy of the data or the information and explanations provided by the management. Also, our comments are based on accounting standards as applicable on the date of report, which are subject to changes from time to time and, as such, any changes therein may affect the comments contained in our report.

We are not under an obligation to update our report for events and circumstances occurring after the date of this report, unless specifically requested.

If you have any questions, comments or concerns please do not hesitate to get in touch with us.

Yours Sincerely,

EY Ford Rhodes

AA/FBI/469A

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ABBREVIATIONS

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ABBREVIATIONS

TPLV Trakker	TPL Vehicle Tracking (Private) Limited
TPL Maps	TPL Maps (Private) Limited
TPL Corp	TPL Trakker Limited to be renamed as TPL Corporation Limited
TPL	TPL Trakker Limited
IFRSs	International Financial Reporting Standards
NBV	Net Book Value
FY16	Financial year ended 30 June 2016
EY	EY Ford Rhodes

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BACKGROUND

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BACKGROUND

TPL Holdings (Private) Limited (TPL Holdings - the ultimate parent company of the TPL group entities) is owned by two group of shareholders Jameel Yousuf / Muhammad Ali Jameel and Ali Bhai Group.

TPL Holdings owns controlling interest in TPL Corp by virtue of 53% shareholding in TPL Corp.

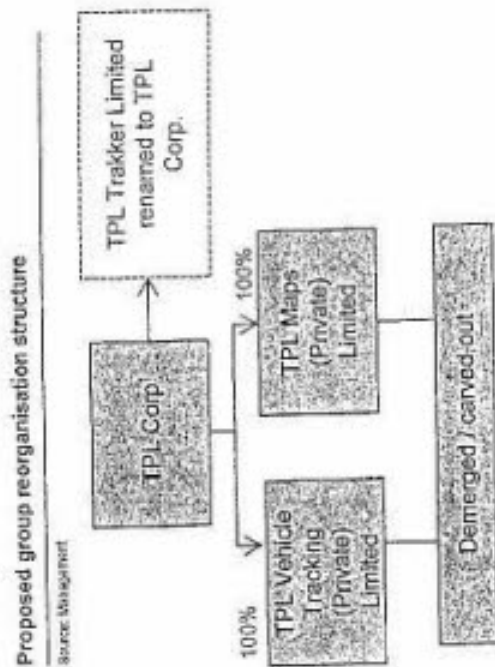
TPL Corp operates various businesses in Pakistan and is expected to enter into the Scheme of Arrangement to transfer its tracking and maps businesses separately along with the related assets and liabilities to the newly incorporated entities [namely TPL Vehicle Tracking (Private) Limited and TPL Maps (Private) Limited] which will be 100% owned subsidiaries of TPL Corp.

We understand that the objective of this group reorganisation is to split-up existing businesses into two separate wholly owned entities in order to focus and monitor the operations of each business segment (i.e. tracking and maps) in an efficient manner.

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Background

TPL intends to split its tracking and maps businesses into two separate legal entities with TPL, being the parent entity to be renamed as TPL Corporation Limited



Transaction overview

- TPL is contemplating potential group reorganisation of the Company with the objective of splitting its tracking and maps businesses into two separate legal entities along with TPL Corp being the existing entity as a parent.
- In this regard, TPL management has allocated its net assets on the actual basis to TPLV Trakker, TPL Maps and TPL Corp to achieve the proposed group reorganisation structure.
- TPL has engaged EY to analyze and comment on the accounting implications and pro forma carved-out balance sheet and profit and loss account prepared by the management of TPL in accordance with the requirements of IFRS.

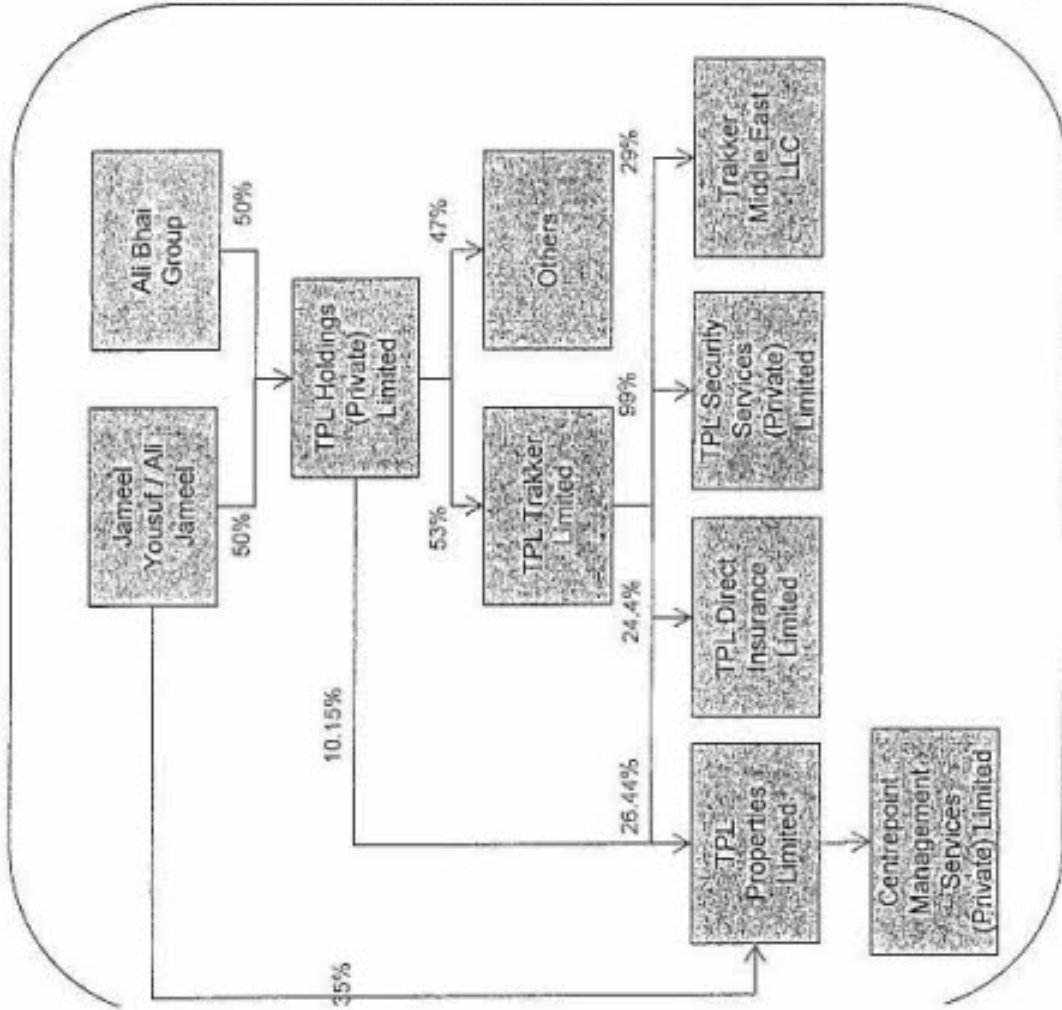
TPL Trakker Limited

- TPL was incorporated under the Companies Ordinance, 1984 in Pakistan on 04 December 2008 as a private limited company. Subsequently in 2009, the Company was converted into a public company and got listed on the Pakistan Stock Exchange Limited (then the Karachi Stock Exchange Guarantee Limited) on 16 July 2012.
- The principal activity of TPL is the installation and sale of tracking devices, vehicle tracking and fleet management. TPL also provides navigation services and other services relating to tracking business.
- Based on its audited financial information as at 30 June 2016, TPL's total assets stood at PKR 5.046 billion which majorly includes intangible assets of PKR 1.430 billion and investments in subsidiaries and associated companies of PKR 1.219 billion.

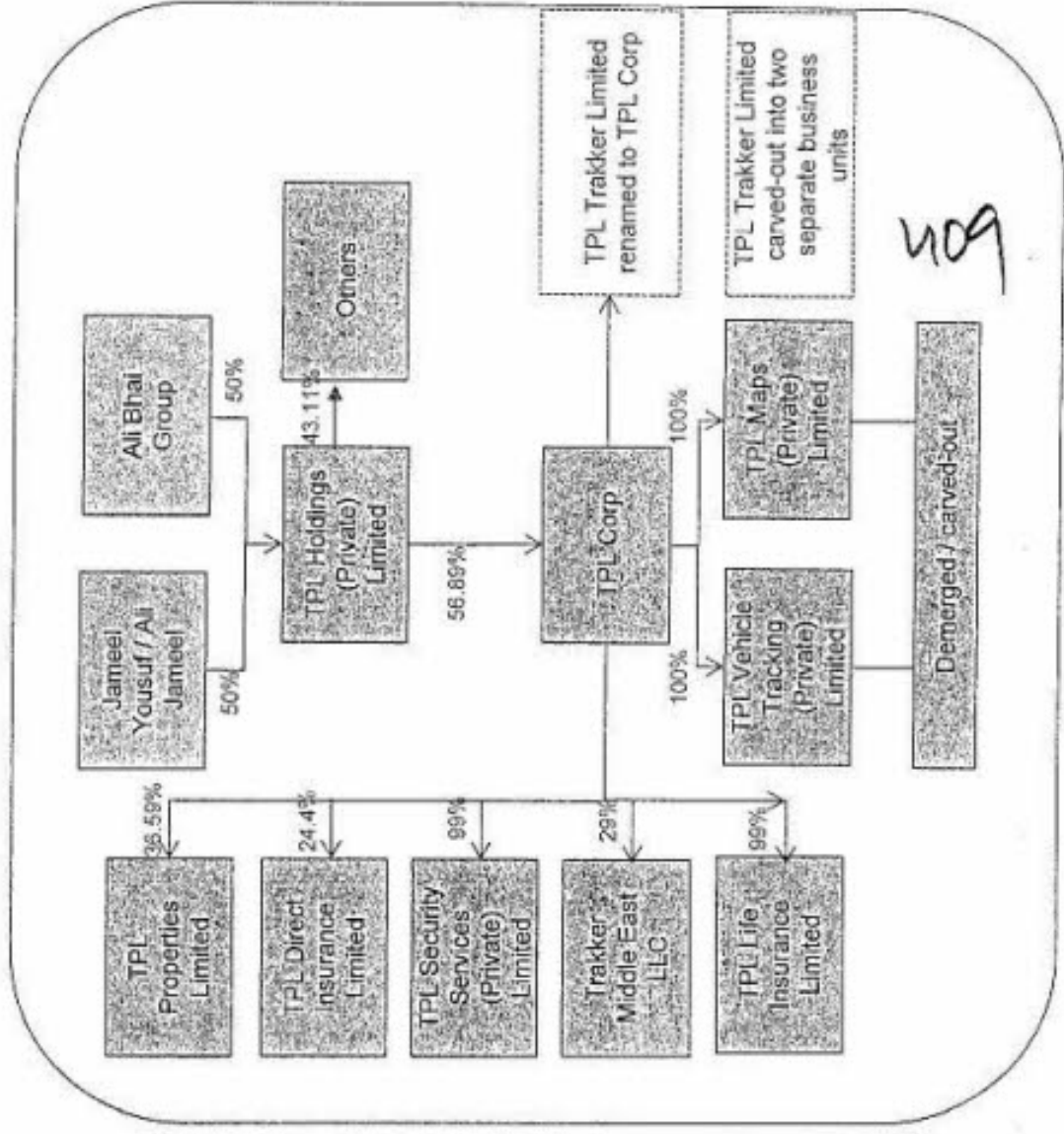
Key considerations

- The key considerations and objectives of this exercise as identified by the management have been summarized below:
 - Focus and monitor the operations of each business segment (i.e. tracking and maps) in an efficient manner.
 - None or minimum cash involvement in the transaction.
 - Minimize regulatory hurdles and tax efficient structure.

Current Structure



Proposed Structure



ACCOUNTING IMPLICATIONS

1. In the books of Subsidiary Companies (TPLV Trakker and TPL Maps)
2. In the books of Holding Company (TPL Corp.)

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We have been informed that as a result of group reorganisation the carrying values of the net assets transferred to the TPLV Trakker and TPL Maps amounting to Rs.1,102.532 million and Rs.204.612 million will be against the consideration of shares issued by TPLV Trakker and TPL Maps to TPL Corp.

We have analysed the matter from the perspective of:

Subsidiary Companies i.e. TPLV Trakker and TPL Maps:

to determine the appropriate accounting treatment for the net assets (i.e. assets, liabilities and reserves) that have been transferred by TPL Corp to TPLV Trakker and TPL Maps against the issuance of shares for consideration other than cash.

Holding Company i.e. TPL Corp:

- for unconsolidated financial statements, the appropriate accounting treatment for the assets, liabilities and reserves transferred to subsidiaries and recognition of investments in subsidiaries; and
- the impact of group reorganisation on their consolidated financial statements.

In the books of Subsidiary Companies (TPLV Trakker and TPL Maps):

International Financial Reporting Standard (IFRS) 3 'Business Combinations' excludes from its scope a combination of entities or businesses under common control in which all the businesses are ultimately controlled by the same party before and after the business combination.

In the case of this transaction, the businesses were controlled by TPL group both before and after the transfer of businesses to the newly incorporated entities namely TPLV Trakker and TPL Maps for the fact that TPL Holdings will have a controlling interest in TPL Corp and by virtue of TPL Corp in TPLV Trakker and TPL Maps.

IFRS 3 is also not applicable to this transaction on the basis that the transaction is not a business combination since TPLV Trakker and TPL Maps do not control or operate any business (before the transaction) and therefore the transfer of the tracking and maps businesses to these entities have not resulted in combination of existing businesses.

S/S

In the books of Subsidiary Companies (TPLV Trakker and TPL Maps) – Contd.

As IFRS 3 is not applicable, TPLV Trakker and TPL Maps are required to choose an accounting policy for the transaction under the requirements of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

IAS 8 requires that in the absence of specific guidance in IFRS, the management shall use its judgement in developing and applying an accounting policy that is relevant and reliable. As a matter of fundamental accounting principle, the accounting policy should most closely reflect the substance of the underlying transaction.

The choice of accounting policy is effectively between the:

- a) acquisition methods, and
- b) pooling of interest method

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In the books of Subsidiary Companies (TPLV Tracker and TPL Maps) – Contd.

For application of acquisition method of accounting, the transaction must have substance from the perspective of the reporting entity. This is because the acquisition method results in a reassessment of the value of the net assets of one or more of the entities involved and / or the recognition of goodwill. IFRS 3 contains limited circumstances when net assets may be restated to fair value and restricts the recognition of internally generated goodwill, and a common control transaction should not be used to circumvent these limitations.

In your situation, the transfer of tracking and maps businesses to the wholly owned subsidiaries (TPLV Tracker and TPL Maps) is effectively a group reorganisation from the legal perspective which does not involve any loss of control over the subjects businesses and assets. In other words, TPLV Tracker and TPL Maps are essentially an extension of the TPL Corp and the change in control / ownership of tracking and maps businesses and net assets are only legal without any economic substance. Thus, the acquisition method of accounting is not suitable to be applied to the subject arrangement / transaction. S
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In the books of Subsidiary Companies (TPLV Trakker and TPL Maps) – Contd.

However, the application of acquisition method is only possible if the TPLV Trakker and TPL Maps would be able to demonstrate the substance of the purchase / acquisition of businesses on the basis of the facts and circumstances.

If there is no substance of the acquisition from the perspective of the TPLV Trakker and TPL Maps, the pooling of interest method should be applied to account for the transaction i.e.:

• TPLV Trakker and TPL Maps should recognise the assets and liabilities transferred by TPL Corp at their carrying values and no goodwill should be recognised on this transaction by both entities.

• The assets and liabilities to be recognised in the books of TPLV Trakker and TPL Maps are against the issue of shares to TPL Corp.

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In the books of Holding Company (TPL Corp):

Unconsolidated financial statements:

- 1. TPL Corp is required to derecognise assets, liabilities and reserves that has been transferred to the newly incorporated wholly owned subsidiaries as a result of the Scheme of Arrangement at their carrying values
- 2. TPL Corp is required to recognise the investment in subsidiaries against the net assets transferred to TPLV Trakker and TPL Maps at the carrying value of net assets transferred at the date of initial recognition.

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In the books of Holding Company (TPL Corp) – Contd.:

It is worth mentioning to state here that paragraph 10 of IAS 27 (Revised) 'Consolidated Financial Statements' provide guidance relating to the recognition and measurement of investment in subsidiaries by the company as reproduced below:

'10. When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (a) at cost;*
- (b) in accordance with IFRS 9; or*
- (c) using the equity method as described in IAS 28.'*

We understand that the current accounting policy of TPL Corp for measurement of investment in subsidiaries is at fair value. TPLV Trakker and TPL Maps, being the unquoted subsidiaries are required to be measured as per the existing accounting policy of TPL Corp i.e. at fair value.

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In the books of Holding Company (TPL Corp) – Contd.:

Consolidated financial statements:

- ▶ there will be no significant impact on the consolidated books of account since the assets, liabilities and reserves that have been transferred as a result of Scheme of Arrangements will be consolidated on line by line basis in the consolidated financial statements against derecognition of investment in subsidiaries.

- ▶ the consolidated financial statements will reflect the same balance sheet and profit and loss account position as if this group reorganisation had not taken place.

42)

CARVED-OUT BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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We have performed the following procedures as agreed in our engagement agreement AA/FB/468/2016 dated 23 December 2016. The procedures were performed solely to assist you to confirm the purpose as stated above and are summarised as follows:

1. Reviewed the pro forma carved-out balance sheet and profit and loss account along with the basis of allocation prepared by the management of TPL to reflect the business split as envisaged under the proposed group reorganisation structure based on audited financial statements of TPL for the year ended 30 June 2016.
2. Matched total balance of the allocation of each account head of pro forma carved-out balance sheet and profit and loss account with the balances in the audited financial statements of TPL Trakker Limited as at 30 June 2016.
3. Reviewed the appropriateness / justification of the basis used (i.e. actual, turnover, number of employees and fixed assets ratio) by the management of TPL to allocate the amounts to TPL Maps, TPLV Trakker and TPL Corp.
4. Reviewed the calculations of deferred tax allocations.

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APPENDIX 1

Pro forma Carved-out Balance Sheet

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Pro forma Carved-out Balance Sheet has been prepared on the basis of specific identification of assets and liabilities relating to TPL Corp., TPL Maps and TPLV Tracker

Carved-out balance sheet as at 30 June 2016

Currency PKR	Existing TPL	TPL Corp	TPL Maps	TPLV Tracker
Non-current assets				
Property, plant and equipment	547,429,989	-	2,107,144	546,322,845
Intangible assets	1,430,336,276	-	272,065,488	1,158,280,750
Long-term investments	446,565,530	446,565,530	-	-
Long-term loans	430,459	-	-	430,456
Long-term deposits	30,480,042	-	149,000	30,340,042
Interest accrued	13,462,945	-	-	13,462,945
Due from related parties	243,307,802	-	-	243,307,802
Deferred tax assets	4,585,006	-	328,732	4,256,264
Current assets				
Stock-in-trade	253,838,894	-	885,405	252,959,489
Trade debts	1,037,594,834	-	9,805,677	1,027,789,157
Loans and advances	9,295,832	-	-	9,295,832
Trade deposits and prepayments	36,843,366	-	394,650	36,448,746
Interest accrued	12,148,610	-	-	12,148,610
Other receivables	8,183,397	-	-	8,183,397
Short-term investments	772,530,449	772,530,449	-	-
Due from related parties	65,030,005	-	-	65,030,005
Cash and bank balances	74,082,114	-	-	74,082,114
Total assets	5,046,165,680	1,219,095,979	265,718,096	3,541,351,605
Non-current liabilities				
Long-term financing	724,255,448	-	-	724,255,448
Liabilities against assets subject to finance lease	20,717,461	-	-	20,717,461
Deferred income	5,377,780	-	-	5,377,780
Long term loans	50,553,413	-	-	50,553,413
Current liabilities				
Trade and other payables	360,982,256	45,536,115	8,410,665	307,027,456
Accrued mark-up	160,519,045	-	-	160,519,045
Short-term financing	34,169,476	-	-	34,169,476
Running finance under mark-up arrangements	420,965,430	-	-	420,965,430
Current portion on non-current liabilities	207,051,627	-	-	207,051,627
Due to related parties	68,159,261	-	-	68,159,261
Taxation - net	855,482	855,482	-	-
Advance monitoring fees	105,281,870	-	-	105,281,870
Total liabilities	2,102,029,349	45,404,597	8,410,665	2,047,208,067
Net assets before reserves allocation	2,944,136,331	1,172,691,382	277,307,431	1,494,143,538
% of net assets before reserves allocation	100%	39.83%	9.42%	50.75%
Reserves allocated on above net assets basis	771,646,701	307,346,851	72,689,119	391,610,701
Net assets after reserves allocation	865,344,501	865,344,501	204,612,292	1,102,532,837
Share capital (existing / to be issued)	2,172,489,636	2,172,489,636	204,612,292	1,102,532,837
Investment in subsidiaries	1,307,145,130	1,307,145,130	-	-

BALANCE SHEET SUMMARY

Carved-out balance sheet has been split into TPL Corp, TPL Maps and TPLV Tracker as presented in table to the left. At 30 June 2016, the net assets amounting to Rs. 865.433 million. Rs. 204.612 million and Rs. 1,102.532 million has been allocated to TPL Corp, TPL Maps and TPLV Tracker respectively. Following are the key basis of allocation.

a) Property and equipment

Property, plant and equipment has been allocated on the basis of specific identification of fixed assets relating to the Maps and Tracking businesses in TPL Maps and TPLV Tracker.

b) Intangible assets

Intangibles have been allocated on actual basis. Intangibles of TPL Maps represents maps database, software and intangible assets under development relating to Maps business amounting to Rs.272.05 million.

c) Trade debts

Trade debts have been allocated on actual basis. Identified receivables relating to navigation business have been allocated to TPL Maps and the remaining balance related to tracking business has been transferred to TPLV Tracker.

d) Trade and other payables

Trade and other payables have been allocated on actual basis to TPL Maps and TPLV Tracker whereas, the legal statutory liabilities of existing TPL has remained with TPL Corp including sales tax and withholding tax payables.

e) Taxation - net

Taxation payable has remained in TPL Corp being the legal statutory liability of the existing entity i.e. TPL.

f) Other assets and liabilities

The remaining assets and liabilities other than long-term and short-term investments in subsidiaries and associated companies has been allocated to TPLV Tracker as it solely related to the tracking business. However, investments in subsidiaries and associated remained with the TPL Corp.

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APPENDIX 2

Pro forma Carved-out Profit and Loss Account

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Pro forma Carved-out Profit and Loss Account has been prepared on the basis of specific identification of assets and liabilities relating to the respective businesses

Carved-out profit and loss account

	Existing TPL	TPL Corp	TPL Maps	TPLV Tracker
Turnover – net	1,537,180,808	-	52,967,236	1,484,213,573
Cost of sales	(761,838,325)	-	(44,818,149)	(717,020,178)
Gross profit	775,342,483	-	8,149,087	767,193,397
Distribution expenses	(231,753,991)	-	(2,580,479)	(228,173,512)
Administrative expenses	(326,818,274)	-	(4,780,490)	(322,037,764)
Operating profit	216,770,218	-	788,118	215,982,101
Other operating expenses	(12,574,063)	-	(127,147)	(12,446,935)
Finance costs	(123,634,898)	-	-	(123,634,898)
Other income	44,895,502	-	-	44,895,502
Profit before taxation	125,456,739	-	660,971	124,795,769
Taxation	(62,847,532)	-	-	(62,847,532)
Profit after taxation	-	-	-	-
Other comprehensive income	83,727,893	83,727,893	-	-
Total comprehensive income	146,337,100	83,727,893	660,971	61,948,237

Cost of sales

	Existing TPL	TPL Corp	TPL Maps	TPLV Tracker
Direct cost	174,617,114	-	5,169,011	169,548,103
Activation and connection charges	135,216,657	-	3,975,000	131,241,657
Salaries, wages and benefits	187,927,134	-	3,727,085	194,200,049
Amortisation	57,536,470	-	29,896,470	27,649,700
Depreciation	68,409,393	-	178,898	68,230,495
Computer expense	11,950,824	-	358,528	11,592,396
Electricity, gas and water	19,836,333	-	600,611	19,235,722
Insurance	9,126,546	-	3,541	9,123,005
Rent, rates and taxes	38,492,354	-	705,104	35,787,250
Telephone	7,669,048	-	213,901	7,455,147
Others fully related to TPLV Tracker	42,850,652	-	-	42,850,652
Total	761,838,325	-	44,818,149	717,020,176

PROFIT AND LOSS ACCOUNT SUMMARY

Carved-out profit and loss account for FY16 is presented in the table to the left. The carve-out figures are based on specific identification of income / expenses relating to each of the business segment in the light of understanding provided by the management.

Major items of the profit and loss account are explained below.

a) Revenue

Revenue related to navigation business has been allocated to TPL Maps as its solely pertains to Maps business whereas, the remaining revenue pertains to TPLV Tracker.

b) Cost of Sales

1. Direct cost, activation and connection charges

Direct cost, activation and connection charges relating to navigation services and tracking businesses has been allocated on actual basis to TPL Maps and TPLV Tracker.

2. Salaries, wages and benefits

Salaries expenses are allocated on actual basis of employees working for Maps and Tracking businesses.

3. Amortisation

Amortisation charge has been allocated on actual basis and related to the assets allocated to TPL Maps and TPLV Tracker.

4. Rent, rates and taxes

Includes expenses incurred on the shared cost basis and has been allocated to entities on the actual basis.

5. Utilities

Represents electricity, gas and water charges. Utilities includes expenses incurred on the shared cost basis and has been allocated to entities on the basis of turnover.

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Pro forma Cost And Expenses break-up has been prepared on the basis of specific identification of assets and liabilities relating to the respective businesses

Administrative expenses

Currency PKR	Existing TPL	TPL Corp	TPL Maps	TPLV Tracker
Salaries, wages and benefits	86,341,321	-	1,607,028	83,734,293
Rent, rates and taxes	16,343,780	-	304,023	16,039,757
Computer expense	5,152,945	-	154,588	4,998,357
Depreciation	29,496,456	-	78,484	29,417,972
Donation	8,681,480	-	298,141	8,382,339
Electricity, gas and water	8,562,942	-	258,969	8,283,973
Entertainment	21,580,210	-	647,406	20,932,804
Printing and stationery	1,710,936	-	101,871	1,609,065
Repairs and maintenance	19,502,190	-	843,845	18,658,345
Security service charges	11,795,368	-	337,855	11,457,513
Subscription	811,000	-	53,718	757,282
Telephone	3,306,705	-	52,229	3,254,476
Insurance	3,935,142	-	1,553	3,933,589
Others fully related to TPLV Tracker	110,607,799	-	-	110,607,799
Total	326,818,274	-	4,780,490	322,037,784

c) Administrative and Distribution expenses

For FY15-16, around 1.5% of total administrative expenses and 5% of total distribution expenses have been allocated to TPL Maps on an overall basis. However, specific basis for each major line item of expenses are summarized below.

1. Salaries, wages and benefits

Salaries expenses are allocated on actual basis of employees working for Maps and Tracking businesses.

2. Rent, rates and taxes

Includes expenses incurred on the shared cost basis and has been allocated to entities on the actual basis.

3. Utilities

Represents electricity, gas water charges. Utilities includes expenses incurred on the shared cost basis and has been allocated to entities on the basis of turnover.

4. Depreciation

Depreciation charge has been allocated on actual basis and related to the assets allocated to TPL Maps and TPLV Tracker.

5. Subscription

Subscription charge has been allocated on the basis of number of employees of TPL Maps and TPLV Tracker.

6. Insurance

Insurance expenses have been allocated on the basis of fixed assets transfer ratio between TPL Maps and TPLV Tracker.

Currency PKR	Existing TPL	TPL Corp	TPL Maps	TPLV Tracker
Salaries, wages and benefits	63,470,933	-	1,196,195	62,275,738
Rent, rates and taxes	11,702,305	-	226,111	11,476,194
Computer expense	3,832,402	-	114,972	3,717,430
Depreciation	21,937,407	-	56,494	21,880,913
Electricity, gas and water	6,361,082	-	192,603	6,168,479
Sales promotion and publicity expense	18,853,103	-	649,629	18,203,474
Printing and stationery	1,272,475	-	75,764	1,196,711
Telephone	2,459,297	-	68,593	2,390,704
Insurance	2,926,685	-	1,118	2,925,567
Others fully related to TPLV Tracker	96,938,302	-	-	96,938,302
Total	231,753,891	-	2,580,479	229,173,512

APPENDIX 3

Statement of Limiting Conditions

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STATEMENT OF LIMITING CONDITIONS

Our work is contingent upon the following limiting conditions:

- 1. This report is intended for use only by the party to whom it has been addressed. Mere possession of this report does not convey the right of reliance, nor may reliance be placed by any third party for any purpose other than that for which it was prepared.
- 2. This report is intended only for the purpose of assistance to the Board of Directors and Shareholders related to the group reorganisation of TPL and for the use of the parties as stated in our cover letter to this report. Subsequent changes in the provisions of the agreement and the adjustments therein could result in substantially different accounting implication than those made and presented in the report. EY Ford Rhodes is not required to revise or update this report to reflect events or conditions, which occur subsequent to the date of this report.
- 3. Information provided to us by the management forms the basis upon which our analysis / review were made. Omission of any material information provided to EY Ford Rhodes would have a significant impact on our analysis / review. Further, it is our assumption that workings and carved-out balance sheet and profit and loss account provided by the management have been approved by them and their Board of Directors for this exercise.
- 4. Also refer Terms and Conditions which are applicable to this engagement as stated in our engagement agreement AA/FB/468/2016 dated 23 December 2016. SSA

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