MERIT PACKAGING LIMITED

Registered Office & Corporate Department
LAKSON SQUARE, BUILDING NO. 2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN

October 27, 2017

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Copy to: The Director/HOD
Surveillance, Supervision & Enforcement Department
Securities & Exchange Commission of Pakistan, Islamabad.

Dear Sir,

FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

We have to inform you that the Board of Directors of our Company in their meeting held on Friday October 27, 2017 at 04:30 p.m. at the Registered Office of the Company at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi considered and approved the un-audited financial statements of the Company for the quarter ended September 30, 2017.

RIGHT SHARES

The Board has recommended to issue 100% Right Shares at par of Rs.10 per share in proportion of one ordinary share for every share held.

The financial results of the Company, Statement for Issuance of Right Shares and Resolution are as per Annexures 'A', 'B' and 'C' attached.

The dates of closure of Share Transfer Books of the Company will be communicated to you in due course of time.

We will be sending you 200 copies of printed accounts of the Company for distribution amongst the Trading Right Entitlement (TRE) Certificate Holders of the Exchange.

Kindly acknowledge.

Yours faithfully,
For MERIT PACKAGING LIMITED

(TASLEEMUDDIN A. BATLAY)
Director

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ANNEXURE 'A'

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	Quarter Ended	
	September 30, 2017	September 30, 2016
	------------- Rs. in 000 -------------	
Sales - net	**541,428**	404,462
Cost of sales	**(489,782)**	(367,059)
Gross profit	**51,646**	37,403
General and administrative expenses	**(12,004)**	(9,448)
Selling and distribution expenses	**(9,047)**	(7,165)
Other income	**1,257**	669
Other operating expenses	**(800)**	(824)
	(20,594)	(16,768)
Operating profit	**31,052**	20,635
Financial charges	**(30,564)**	(19,986)
Profit before taxation	**488**	649
Taxation	-	-
Profit after taxation	**488**	**649**
Earnings per share - basic and diluted (Rupees)	**Rs. 0.01**	**Rs. 0.02**

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ANNEXURE 'B'

ISSUE OF RIGHT SHARES

STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS AND FINANCIAL PROJECTIONS

<table>
<tr><td>Quantum of Issue</td><td colspan="4">The issue size is 100% of the existing capital (40,314,199 ordinary shares) i.e. one ordinary share for every share held.</td></tr>
<tr><td>Issue Price</td><td colspan="4">The Right shares will be offered at an issue price of Rs. 10/- per share, i.e. at par value.</td></tr>
<tr><td>Purpose of Right Issue</td><td colspan="4">The purpose of the Right Issue is repayment of the debts of the Company.</td></tr>
<tr><td>Benefits to the Company</td><td colspan="4">The fund received from the Right Issue will be used towards the repayment of the debts of the Company. The funds will enable the Company to improve the debt equity ratio and resulting in increased profitability due to reduction in the finance cost on the existing debts of the Company.</td></tr>
<tr><td>Risk factors associated with the Right Issue</td><td colspan="4">There are no significant risk factors associated with the Right Issue.</td></tr>
<tr><td rowspan="7">Financial Projections</td><td>Description</td><td colspan="3">Rupees in million</td></tr>
<tr><td></td><td>2017-18</td><td>2018-19</td><td>2019-20</td></tr>
<tr><td>Total Assets</td><td>3,200</td><td>3,294</td><td>3,309</td></tr>
<tr><td>Gross Profit</td><td>254</td><td>308</td><td>363</td></tr>
<tr><td>Profit before taxation</td><td>11</td><td>58</td><td>83</td></tr>
<tr><td>Profit for the year</td><td>43</td><td>26</td><td>44</td></tr>
<tr><td colspan="4">Note: The information given above reflects bonafide current business perceptions of the Directors as to the future performance of the Company's business. Neither the Company nor the Direcors accept any responsibility for conclusions drawn or investment decisions made by any person based on the above information.</td></tr>
</table>

PHONE: 3569 8000 FAX: 92-21-3568 6571 & 3568 3410

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ANNEXURE 'C'

EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS ON 27 OCTOBER 2017

RESOLVED THAT in order to repay the existing creditors / lenders of the Company, which would reduce the financing costs on the existing debt of the Company, and to strengthen the debt equity ratio of the Company, the Company be and is hereby authorized to issue 40,314,199 new ordinary shares of PKR 10/- each to be offered for subscription at par value of PKR 10/- per share to the existing shareholders of the Company in proportion to 100 right shares of PKR 10/- each for every 100 ordinary shares of the Company held by each shareholder (i.e. ratio of 1:1).

FURTHER RESOLVED THAT the said right shares so issued and subscribed shall, upon allotment, have the same rights (including right to vote) as the existing ordinary shares issued by the Company, and be treated for all other purposes as pari passu with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT the aforesaid offer shall be valid for payment up to such date as agreed with the Pakistan Stock Exchange or otherwise determined by any one of the Director and/or the Chief Executive Officer of the Company and the offerees shall have the right to renounce any new shares offered to them and not subscribe by them in favour of any other person or to sell the unpaid right shares on the Pakistan Stock Exchange.

FURTHER RESOLVED THAT the Directors and/or the Chief Executive Officer and/or the Company Secretary be and are hereby authorised singly to take all necessary steps for the issue of letter of rights in respect of the said rights issue and the required circular and for filing of returns with the Companies Registrar, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange, and to take all other actions as are required under law or otherwise deemed necessary for the issuance of the aforementioned right shares, including the making of arrangements for the listing of the right shares (including the letter of rights / offers for such right shares) on the Pakistan Stock Exchange and the induction of the offers for right shares and the right shares in the Central Depository System of the Central Depository Company of Pakistan Limited and in that connection to sign all requisite applications, undertakings and other documents on behalf of the Company.

for **MERIT PACKAGING LIMITED**

(TASLEEMUDDIN AHMED BATLAY)
Director

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