PACKAGES LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Packages Limited will be held at the Auditorium of The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi-75600 on Thursday, 21 January 2016 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on 16 April 2015.

SPECIAL BUSINESS:

2. To approve investment of upto Rs. 366,666,625 (Rupees Three Hundred Sixty Six Million Six Hundred Sixty Six Thousand and Six Hundred Twenty Five Only) in the rights issue (by subscription of rights shares offered to the Company) of Tri-Pack Films Limited, an associated company, and in that connection to pass a Special Resolution, as set out below in this Notice:

By Order of the Board

Karachi

Adi J. Cawasji
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from 14 January 2016 to 21 January 2016 (both days inclusive).

2. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.

3. Duly completed forms of proxy must be deposited with the Company Secretary at the Registered Office of the Company at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600 not later than 48 hours before the time appointed for the meeting.

4. Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses.

5. Any individual beneficial owner of the Central Depository Company, entitled to vote at this meeting, must bring his/her Computerized National Identity Card ("CNIC") with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copy of board of directors' resolution/power of attorney and/or all such documents required under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan for the purpose.

6. Form of proxy is attached with this Notice.

7. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Extraordinary General Meeting.

   If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

   The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Extraordinary General Meeting along with complete information necessary to enable them to access the facility.

I/We, ______________________ of ___________________ being a member of Packages Limited, holder of ________ Ordinary shares as per Register Folio No. ________ hereby opt for video conference facility at ______________.

____
Signature of member

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984 REGARDING SPECIAL BUSINESS :

Opening Statement

Tri-Pack Films Limited is a public limited company and was incorporated in Pakistan on 29 April 1993 and is listed on all the Stock Exchanges in Pakistan. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film.

The existing issued, subscribed and paid up share capital of Tri-Pack Films Limited is 30,000,000 shares of Rs.10/- each.

Tri-Pack Films Limited in the years 2013 and 2014 went into significant expansion of its capacities increasing its BOPP film capacity from approximately 28,000 tons per annum to 68,000 tons per annum. Similarly, capacity for CPP film was increased from 7,000 tons per annum to over 16,000 tons per annum.

During the expansion period no participation from the shareholders was requested despite an investment of approximately Rs. 8 billion.

Tri-Pack Films Limited has now requested its shareholders to enhance the equity in order to pay off a portion of its long term debt and thus improve upon its debt/equity ratio and also reduce its cost of borrowing.

Further Information

As required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 ("**Regulations**") [SRO No. 27(I)/2012 dated 16 January 2012], following further information is provided:

(i) **The name of the investee company and criteria on which relationship is established**:

Tri-Pack Films Limited is the investee company. Packages Limited holds 10,000,000 shares of Rs.10/- each i.e. 33.33% in the investee company. The investee company is an associated company of Packages Limited by virtue of common directorship.

Syed Hyder Ali and Syed Aslam Mehdi, Directors of the Company are also Directors of Tri-Pack Films Limited.

(ii) Purpose, benefits and period of investment:

- Purpose of the investment is explained in detail in the Opening Statement of this Statement of Material Facts.

- Benefits are linked with the purpose. As a result of the Company's proposed investment, the liquidity of Tri-Pack Films Limited will increase which, we expect, will benefit the business operations of Tri-Pack Films Limited, leading to enhanced profitability and as a result dividends to Packages Limited.

- Period of investment: Indefinite as this is an equity investment.

(iii) Maximum amount of investment:

The maximum amount of investment by the Company in the proposed rights share issue shall be Rs. 366,666,625 (Rupees Six Hundred Sixty Six Million Six Hundred Sixty Six Thousand and Six Hundred Twenty Five Only).

(iv) Maximum price at which securities will be acquired:

The rights issue shall be subscribed by Packages Limited at a premium of Rs. 115 per share at a total price (par value plus premium) of Rs. 125 per share.

(v) Maximum number of securities to be acquired:

2,933,333 shares.

(vi) Number of securities and percentage thereof held before and after the proposed investment:

The number of shares held by Packages Limited in Tri-Pack Films Limited before the proposed investment is 10,000,000 shares (33.33%) and after the proposed investment the number of shares held by the Company shall be 12,933,333 shares (33.33%).

(vii) In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired:

The average of the preceding twelve weekly price (up to week ended 18 December 2015) of the share of Tri-Pack Films Limited as quoted on the Stock Exchange is Rs. 249.94 per share.

(viii) In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1):

Not applicable as Tri-Pack Films Limited is a listed company.

(ix) Break-up value of securities intended to be acquired on the basis of the latest audited financial statements:

The break-up value of the ordinary shares of Tri-Pack Films Limited on the basis of the latest audited financial statements as of 31 December 2014 is Rs. 54.48 per share.

(x) Earnings per share of the associated company or associated undertaking for the last three years:

2014 Rs. (6.65)
2013 Rs. 0.85
2012 Rs. 16.82

(xi) Sources of fund from which securities will be acquired:

Investment will be made through internal cash generation.

(xii) Where the securities are intended to be acquired using borrowed funds:

(i) justification for investment through borrowings; and
(ii) detail of guarantees and assets pledged for obtaining such funds:

The rights shares are not intended to be acquired using borrowed funds.

(xiii) Salient features of the agreement(s), if any, entered into with its associated company with regards to the proposed investment:

No agreement has been entered into with Tri-Pack Films Limited.

(xiv) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives:

The directors, sponsors, majority shareholders and their relatives have no interest in this business except to the extent of (a) their respective shareholdings (if any) in the investee company (Tri-Pack Films Limited), (b) in the case of Syed Aslam Mehdi, salary drawn from the investee company, and (c) in case of Packages Limited (including its subsidiaries, the sale and purchase of goods by the Company.

(xv) Any other important details necessary for the members to understand the transaction:

Please see the Opening Statement of this Statement of Material Facts appearing above for necessary details.

Nonetheless, it should be noted that as a consequence of the said investment in the rights shares of Tri-Pack Films Limited, the shareholding of the Company in the investee company is expected to increase from 10,000,000 ordinary shares representing 33.33% shareholding in the investee company to 12,933,333 ordinary shares representing 33.33% shareholding in the investee company. As the Company already holds more than 30% but less than 51% of the voting shares of the investee company, it will not be necessary for the Company to make a public offer under Part IX (Takeovers) of the Securities Act, 2015. This is for the reason that the Company's shareholding in the investee company will remain at 33.33% which is less than 51% of the voting shares of the investee company.

The collective percentage shareholding of the sponsors, Directors, their associated companies and relatives who can be construed as persons acting in concert will remain unchanged (which already stands above 51%) and accordingly no change in the control of the investee company will occur. Therefore, no public offer under the said Part IX of the Securities Act will be required.

(xvi) Investment in a project which has not started commercial operations:

Not applicable as the investee company started commercial operations in the year 1993.

Due Diligence:

The Directors have, as required by the Regulations, carried out the required due diligence for the proposed equity investment for which shareholders' consent by Special Resolution set out below is required under Section 208 of the Companies Ordinance, 1984. The Due Diligence Report as approved by the Directors and signed under their authority will be available for the inspection of the shareholders at the Extra-ordinary General Meeting.

Interest of the Investee Company, its sponsors and Directors in the Company:

As required by Regulation 4(1) of the Regulations, it is declared that:

1. the investee company, Tri-Pack Films Limited, holds no shares of the Company and has no interest in the Company.

2. the following sponsors and Directors of the investee company hold the shares in the Company and are interested in the Company to that extent:

   - Syed Babar Ali
   - Syed Hyder Ali
   - Syed Aslam Mehdi

Audited Financial Statements of Tri-Pack Films Limited

As required by Regulation 5 of the Regulations the latest Financial Statements of the Investee Company as at 31 December 2014 and its latest reviewed Financial Statements as at 30 June 2015 shall be made available for the inspection of the members at the Extra-ordinary General Meeting.

SPECIAL RESOLUTION:

For authorising investment in 2,933,333 rights shares of Tri-Pack Films Limited, it is proposed that the following Resolution be considered and passed as a Special Resolution, with or without modification:

> "RESOLVED that the Company be and is hereby authorised for the purpose of Section 208 of the Companies Ordinance, 1984 to invest the amount of Rs. 366,666,625 in 2,933,333 rights shares of Tri-Pack Films Limited, an associated company, by subscribing such rights shares at a total subscription price of Rs. 125 per share, including a premium of Rs. 115 per share; and
>
> FURTHER RESOLVED that Mr. Khurram Raza Bakhtayari, Chief Financial Officer and Mr. Adi J. Cawasji, Company Secretary be and are hereby jointly and severally authorised to take any and all actions necessary to implement this Resolution."