KARACHI STOCK EXCHANGE LIMITED

KSE/N-6532 **N O T I C E** December 16, 2015

Reproduced hereunder Financial Projections dated December 15, 2015 received from **TRI-PACK FILMS LIMITED,** for information of all concerned.
(Copy of the same is also available on our Website www.kse.com.pk).

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Tri-pack Tri-Pack Films Limited

A PAKISTAN - JAPAN JOINT VENTURE

ISO 9001 SGS — ISO 14001 SGS — OHSAS 18001 SGS

Sec/390/TPFL

Karachi
15 December 2015

Mr. Muhammad Ghufran
Deputy General Manager - Companies Affairs
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi-74000.

Dear Sir,

With respect to the 29.33% rights shares being offered to the existing shareholders, we enclose herewith –

Specimen of "Circular under Section 86(3) of the Companies Ordinance, 1984."

Please render your clearance to the above so that we may proceed further.

Thanking you.

Yours sincerely,
For TRI-PACK FILMS LIMITED

Adi J. Cawasji

(Adi J. Cawasji)
Company Secretary

Encl: As above.

HEAD OFFICE & WORKS: Plot No. G-1 to G-4, North Western Industrial Zone, Port Qasim Authority, Karachi. Tel: (021) 34720244,34720247-8 Fax: (021) 34720239-45
REGISTERED OFFICE: 4th Floor, The Forum, Suite # 416-422, G-20, Block # 9, Clifton, Khayaban-e-Jami, Karachi. Tel:(021)35874047-49,35378650-52 Fax:35860251
REGIONAL OFFICE: House No. 18-B, Sir Abdullah Haroon Road, (Adjacent Marriot Hotel), Karachi. Tel: (021) 35224336-7 Fax: (021) 35224338
REGIONAL OFFICE: Plot # 5FC.C, Maratib Ali Road. Gulberg II. Lahore

TRI-PACK FILMS LIMITED

REGISTERED OFFICE, 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan

THE COMPANIES ORDINANCE, 1984
SECTION 86 (3)

CIRCULAR TO BE SENT TO MEMBERS ALONG WITH THE NOTICE OFFERING NEW SHARES

PART I - ISSUER

a)	Company profile and history	
	(i) Name of the Company	Tri-Pack Films Limited
	(ii) Incorporation date	29 April 1993
	(iii) Date of commencement of business	31 July 1993
	(iv) Status (public or private, if listed name of stock exchanges where listed)	Listed on Karachi/Lahore/Islamabad Stock Exchanges
	(v) Registration No.	CUIN 0030231
b)	Profile of management & sponsors	
	(i) Brief description of profile of directors	Annexure - A
	(ii) No. of directorship held	Annexure - B
c)	Address of the issuer	
	(i) Registered office	4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan
	(ii) Website address	www.tripack.com.pk
d)	Name of the auditor	A.F. Ferguson & Co., Chartered Accountants
e)	Existing capital indicating classes of shares, if any	Ordinary shares
	(i) Authorized Capital (Amount, number of shares and price per share)	Rs. 1 billion divided into 100 million shares of Rs. 10 each
	(ii) Paid-up capital (Amount, number of shares and price per share)	Rs. 300 million divided into 30 million shares of Rs. 10 each
f)	Particulars regarding holding company, if any	N/A
g)	Particulars regarding subsidiary company, if any	N/A

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h) Financial Highlights of the Company for preceding three years including following;

	(Rs. in 'Mn') 31.12.2014	(Rs. in 'Mn') 31.12.2013	(Rs. in 'Mn') 31.12.2012
Sales	13,597	11,950	10,241
Gross profit	1,222	1,175	1,436
Profit before interest, tax, depreciation and amortization	1,274	1,398	1,377
Profit after tax	(200)	25	505
Accumulated profit/loss	(271)	(62)	453
Total assets	13,077	13,667	11,508
Total liabilities	11,442	11,854	9,384
Net equity	1,634	1,813	2,124
Earnings per share (Rs.)	(6.65)	0.85	16.82
Dividend (%)	Nil	Nil	100%
Bonus	N/A	N/A	N/A
Rights	N/A	N/A	N/A

As per requirements of Section 86(3) of the Ordinance, the issuer is required to send the latest audited financial statements along with the offer of the proposed right issue

The latest audited accounts are for the year ended 31 December 2014, which have already been circulated to the shareholders and regulatory authorities, and are also available on the website of the Company (www.tripack.com.pk)

i) Financial Highlights of consolidated financial statements same as (h) above, if any — N/A

j) Major related party transactions — Annexure – C

k) Details of issue of capital in previous five years
   (i) Year wise detail of issue of capital — N/A
   (ii) Detail of fund utilization — N/A

PART II – ISSUE DETAILS

a) Description of Issue
Amount of the proposed issue — Rs.1.1billion divided into 8,800,000 ordinary shares of Rs. 125 each

b) Par value — Rs.10

c) Basis of determination of price of right issue — Value of the company's share is calculated through discounted future cash flow valuation method.

d) Proportion of new issue to existing shares with any condition applicable thereto — Approximately 29.33 ordinary shares for every 100 ordinary shares held. The rights shares shall rank pari-passu with the existing ordinary shares of the Company in all respects

e) Date of meeting of Board of Directors (BOD) announcing right issue — 4 December 2015

f) Names of directors attending the BOD meeting — Syed Babar Ali, Syed Aslam Mehdi, Syed Hyder Ali, Mr. Kimihide Ando, Mr. Asif Qadir, Mr. Khurram Raza Bakhtayari and Mr. Masahiko Takahashi (Alternate to Mr. Yasumasa Kondo)

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g)	Primary purpose of issue (description & amount)	
	(i) Details of the main projects/objects for which funds are raised through present right issue	The Company's capital structure is tilted towards debt with current total bank debt to equity ratio of 80:20 as of 30 September 2015. The Company is endeavoring to reduce its reliance on debt through the proposed Rights Issue and aims to achieve debt to equity ratio of 70:30. The injection of equity shall reduce debt and creditors' financing thus saving the interest expense. This will provide a breathing space to the Company's bottom line and sufficient capitalization.
	• Detail of each project	N/A
	• Total funds required for each project	N/A
	• Percentage finance through right issue	N/A
	• Percentage finance from other sources	N/A
	• Time of completion of each project	N/A
	(ii) Expected benefits to accrue from proposed right issue including financial projection for five years (description & amount)	Annexure – D (benefits stated herein above)
h)	Has the market price remained below par during preceding six months	No
i)	Financial effects arising from right issue	
	(i) Changes in share capital	Number of shares would increase from existing 30 million shares to 38,800,000 shares
	(ii) Net asset per share before and after right issue	Net assets per share before the rights issue is Rs. 63.83 (as per the Report for the nine months ended 30 September 2015) and the net assets per share after the rights issue shall be Rs. 77.70 (based on 30 September 2015)
	(iii) Gearing ratio before and after right issue	The gearing ratio before the rights issue is 80% (as per the Report for the nine months ended 30 September 2015) and after the rights issue the long term gearing ratio shall be 68% (based on 30 September 2015)
j)	Total expenses to the issue	
	(i) Bankers Commission	0.1% of the amount of successful subscription
	(ii) Underwriters Commission	0.5% of the amount underwritten
	(iii) Others:	
	Take-up Commission	2.0% of the unsubscribed amount taken up
	Other Expenses	Approximately Rs.1.0 million

PART III – RISK AND RISK MITIGATING FACTORS

a)	Description of major risks and company's efforts to mitigate them	This rights issue is being made to improve the capital structure of the Company. The main shareholders i.e. Packages Limited, the directors and associated companies shall subscribe to their portion of 65.2% of the rights shares issue. Mitsubishi Corporation of Japan has declined to take up its portion of the rights issue, which IGI Insurance Limited and Syed Hyder Ali (Director) have undertaken to subscribe, under an agreement between Mitsubishi Corporation of Japan, IGI Insurance Limited and Syed Hyder Ali (Director), subject to approval by the Competition Commission of Pakistan. The remaining rights issue has been underwritten through an agreement with MCB Bank Limited (50%) and Allied Bank Limited (50%)
	(i) Risks relating to the project for which right issue is announced	Not applicable
	(ii) Risks relating to subscription/under-subscription of right issue	Please refer Part III (a) above
	(iii) Material contingencies	Annexure – E
	(iv) Material commitments	None
	(v) Description of major court cases	None
	(vi) Any adverse issue reported by the auditor in their audit reports in previous five years	None
b)	Names of underwriters, (if required)	MCB Bank Limited and Allied Bank Limited

PART IV – ELIGIBILITY CRITERIA AND ASSOCIATED MATTERS

a)	Eligible shareholders/investor	Existing shareholders
b)	Bankers to the issue	MCB Bank Limited
c)	Date by which offer to be accepted	14 March 2016
d)	Mode of acceptance	
	(i) Bank account number	?
	(ii) Date by which amount to be credited in bank account to constitute valid acceptance	14 March 2016
e)	Any other material information having a bearing on the issue	None

PART V – ANY OTHER MATERIAL INFORMATION

Any information which has direct or indirect bearing on the investment decision

None

PART VI – ANNEXURES

a)	Extract of Resolution passing the right issue	Annexure – F
b)	Certificate of Chief Executive and CFO that the Circular constitutes full and true disclosure of all material facts relating to the right issue and that the Company will provide copies of financial statements on demand	Annexure – G

By Order of the Board
For Tri-Pack Films Limited

Karachi
25 January 2016

(Adi J. Cawasji)
Company Secretary

Annexure - A

PROFILE: BOARD OF DIRECTORS

Syed Babar Ali:

Mr. Ali is the founder of various industries and social welfare institutions. He has over 65 years of experience in management and strategic visioning.

Syed Aslam Mehdi:

Mr. Mehdi is the CEO of Tri-Pack Films Limited and serves on its Board of Directors. Before being named CEO in September 2014, he was the General Manager at Packages Limited. He has been affiliated with the Packages Group since 1980 from where there was no looking back. Having a Master's Degree from IBA, Mr. Mehdi brings with him a wealth of management experience, especially in the areas of Marketing, Operational Excellence and People Management.

Mr. Asif Qadir:

Mr. Qadir holds a degree in Chemical Engineering from Columbia University, New York, USA., and was associated with Exxon and Engro in key positions. He is a Non-Executive Independent Director of the Company.

Syed Hyder Ali:

Mr. Ali is a Non-Executive Member of the Board since inception. He has done his Masters in Sciences from Institute of Paper Chemistry. Mr. Ali has over 30 years of experience in management and is on the Boards of various listed companies since the year 1989.

Mr. Khurram Raza Bakhtayari:

Mr. Bakhtayari, currently the Chief Financial Officer of Packages Limited, is a Non-Executive Member of the Board. He did his Bachelors in Commerce in 1997 from the Hailey College of Commerce, University of the Punjab, Lahore and thereafter qualified as a Chartered Accountant in 2002 from the Institute of Chartered Accountants of Pakistan. He became a fellow member of the Institute in January 2013. Mr. Bakhtayari has over 10 years of experience in the field of corporate finance, accountancy, treasury, auditing, corporate affairs and administration.

Mr. Kimihide Ando:

Mr. Ando is associated with the Company as a Non-Executive Director. He is the General Manager for Mitsubishi Corporation of Japan's operations in Pakistan. He has a degree in liberal arts from the International Christian University, Tokyo, Japan and has been with Mitsubishi Corporation for 28 years. Mr. Ando has a diverse experience in chemicals.

Mr. Yasumasa Kondo:

Mr. Kondo is a Non-Executive Member of the Board. He joined Mitsubishi Corporation of Japan in the year 1986 and has worked in different companies associated with the Group. He has served as a General Manager at PVC and Plastic Units of Mitsubishi Corporation. He graduated in 1986 from the University of Tokyo.

Annexure – B

OTHER OFFICES HELD BY DIRECTORS

S. NO.	NAMES & ADDRESSES	STATUS	OTHER DIRECTORSHIP/BUSINESS OCCUPATION
1	Syed Babar Ali 70-F.C.C., Gulberg, Lahore	Chairman	Chairman: Ali Institute of Education Babar Ali Foundation Coca Cola Beverages Pakistan Limited Gurmani Foundation IGI Insurance Limited IGI Investment Bank Limited Industrial Technical & Educational Institute National Management Foundation Sanofi-Aventis Pakistan Limited Syed Maratib Ali Religious & Charitable Trust Society Tetra Pak Pakistan Limited Director: Nestle Pakistan Limited Pro-Chancellor: Lahore University of Management Sciences (LUMS)
2	Syed Aslam Mehdi House No.51, Block 7/8 Bahadurbad, Mian Mohammad Rafi Road, Karachi	Chief Executive	Director: Bulleh Shah Packaging (Private) Limited DIC Pakistan Limited Packages Lanka (Pvt) Limited Pakistan Japan Business Forum Packages Limited Printcare Plc, Sri Lanka Tetra Pak Pakistan Limited Member –Board of Governors: National Management Foundation – LUMS
3	Mr. Asif Qadir 8-B, South Park Street, D.H.A., Phase-2 Karachi	Director	Chairman: Unicol Director: Cherat Cement Limited Descon Oxychem Limited Karachi Stock Exchange Limited Thal Limited
4	Syed Hyder Ali 70-F.C.C., Gulberg, Lahore	Director	Chief Executive: IGI Life Insurance Company Limited Packages Limited Director: Babar Ali Foundation Bulleh Shah Packaging (Private) Limited IGI Insurance Limited International Steels Limited KSB Pumps Company Limited National Management Foundation Nestle Pakistan Limited Packages Lanka (Pvt) Limited Pakistan Business Council Pakistan Centre for Philanthropy Sanofi-Aventis Pakistan Limited Syed Maratib Ali Religious & Charitable Trust Society Tetra Pak Pakistan Limited World Wide Fund for Nature Member: Ali Institute of Education International Chamber of Commerce Pakistan Lahore University of Management Sciences

S. NO.	NAMES & ADDRESSES	STATUS	OTHER DIRECTORSHIP/BUSINESS OCCUPATION
5	Mr. Khurram Raza Bakhtayari House No.493-X, Defence Housing Authority, Phase III, Lahore Cantt., Lahore	Director	Director: Bulleh Shah Packaging (Private) Limited DIC Pakistan Limited IGI Investment Bank Limited IGI Life Insurance Company Limited Loads Limited Maxim Feeds (Private) Limited Maxim International (Pvt.) Limited MeatTech (Pvt.) Limited Multiple Autoparts Industries (Private) Limited Packages Lanka (Pvt.) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycles (Private) Limited Treet Corporation Limited
6	Mr. Kimihide Ando C/o Mitsubishi Corporation of Japan 14^{TH} A Floor, Block-4 The Harbour Front, Dolmen City HC-3, Block 4, Scheme-5, Clifton, Karachi	Director	Director: Engro Polymer & Chemicals Limited Punjab Board of Investment & Trade Vice President: Pakistan Japan Business Forum
7	Mr. Yasumasa Kondo 1-7-31 Shinohara-Kita Kohoku-Ku, Yokohama Kanagawa 222-0021 Japan	Director	None

Annexure – C

MAJOR RELATED PARTY TRANSACTIONS

Major transactions with related parties for the nine months ended 30 September 2015 are as follows :-

Relationship with the Company	Nature of transactions	Rupees (in thousand)
Associated undertaking	Purchase of goods and services	356,087
	Sale of goods and services	741,231
	Commission earned	6,475
Post employment benefit plans	Contribution to staff retirement benefit funds	44,025
Key management personnel	Salaries and other employee benefits	66,703

All transactions with related parties have been carried out at arm's length basis.

Annexure - D

FINANCIAL PROJECTIONS FOR FIVE YEARS

	(Rs in Mn) 31.12.2016	(Rs in Mn) 31.12.2017	(Rs in Mn) 31.12.2018	(Rs in Mn) 31.12.2019	(Rs in Mn) 31.12.2020
Sales	11,977	14,280	15,918	17,344	18,550
Gross profit	1,796	1,836	1,888	1,997	2,100
Profit before tax	535	608	650	768	873
Taxation	52	(136)	(159)	(213)	(232)
Profit after tax	587	472	491	555	641
Profit before interest, tax, depreciation and amortization	1,715	1,738	1,743	1,798	1,794
Accumulated profit/loss	748	1,220	1,711	2,266	2,907
Total assets	11,234	11,711	11,780	11,761	11,932
Total liabilities	7,481	7,486	7,064	6,491	6,021
Net equity	3,753	4,225	4,716	5,271	5,911
Earnings per share (Rs.)	15	12	13	14	16
Ratios:					
Total Debt / Equity	57:43	52:48	45:55	36:64	26:74
Current Ratio	1:1	1:1	1:1	1:1	1:1
EBITDA %	14%	12%	11%	10%	10%
Total Debt / EBITDA – times	3	3	2	2	1
DSCR – times	1	1	1	2	4
ICR – times	2	3	3	3	4
Key Assumptions:					
Volumes Growth	14%	4%	6%	6%	6%
Fuel Cost increase	10%	10%	10%	9%	8%
Other Operating Cost increase	-7%	0%	3%	2%	1%

Material Contingencies

(To be read with financial statements for the year ended December 31, 2014)

Following are the changes in the status of contingencies as reported in the financial statements for the year ended December 31, 2014;

In respect of tax year 2008, 2010 and 2011, the Commissioner Inland Revenue (Appeals) through appellate orders all dated May 19, 2015 has disposed off the appeals of the Company maintaining the disallowances on account of the taxation of the tenderable gains and non-allowance of provisions for post retirement benefit funds against which appeals have been filed before the Appellate Tribunal Inland Revenue (ATIR). Management is confident about the favorable outcome.

In respect of tax year 2009, the Commissioner Inland Revenue (Appeals) through appellate order dated May 19, 2015 has disposed off the appeal in favor of the Company except on maintaining the action of taxation officer on disallowance of finance cost. The Company has filed appeal before ATIR in respect of the issue maintained by the Commissioner (Appeals). Management is confident about its favorable outcome.

Annexure – F

"RESOLVED that the Company be and is hereby authorised to issue Rights Shares to its shareholders at the rate of approximately 29.33 rights shares of the par value of Rs.10 for every 100 ordinary shares held at a premium of Rs.115 per share.

FURTHER RESOLVED that Mr. Adi J. Cawasji, Company Secretary be and is hereby authorised to sign circular under section 86(3) of the Companies Ordinance, 1984, which is to be attached to the letter of rights."

Annexure - G

25 January 2016

Joint Registrar
Securities & Exchange Commission of Pakistan
Companies Registration Office
4th Floor, State Life Building No.2
Wallace Road
Karachi.

Dear Sir,

This is to certify that the Circular under Section 86(3) of the Companies Ordinance, 1984 dated 25 January 2016 constitutes full and true disclosure of all material facts relating to the rights issue and that the Company will provide copies of financial statements on demand.

Yours sincerely,
For TRI-PACK FILMS LIMITED

(Syed Aslam Mehdi)
Chief Executive

(M. Nasir Jamal)
Finance Manager (CFO)