



MERIT PACKAGING LIMITED

LAKSON SQUARE, BUILDING NO.2, SARWAR SHAHEED ROAD, KARACHI-74200 PAKISTAN

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Merit Packaging Limited will be held on Friday, 27 June 2025 at 03:30 p.m. at the ICAP Auditorium, Chartered Accountants Avenue, Block 8, Clifton, Karachi as well as through electronic means/video link facility to transact the following business:

Special Business:

1. To consider, and if thought fit to approve, the following special resolutions, with or without modification, seeking approval of members to dispose off Machinery (Flexible Packaging Unit) of the Company, located at 17-B, Sector 29, Korangi Industrial Township, Karachi ("Assets") to an independent third party; -

"RESOLVED THAT the consent of shareholders be and is hereby accorded to the disposal and sale of the Company's assets comprising of Plant and Machinery (Flexible Packaging Unit) and Goodwill ("the Assets") located at 17-B, Sector 29, Korangi Industrial Township, Karachi for an aggregate sale consideration of PKR 1,000,000,000 based on the best available quote from the interested party.

FURTHER RESOLVED THAT Board of Directors be and are hereby authorized and empowered for the Sale of Assets. The Board may delegate its powers to the Company Secretary and /or Chief Financial Officer and a Director on such terms and conditions they deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement and / or give effect to the asset sale and the transaction contemplated by it, which shall include, but not be limited to:

- a) selling the Assets to its party Kompass Pakistan (Private) Limited (the buyer) and for that purpose, entering into asset sale agreement or any other agreement with the buyer, receiving of sale consideration, executing, preparing and signing asset sale agreement and / or transfer documents in favor of the buyer(s) to effect the asset sale in favor of the buyer by representing the same before all parties & authorities concerned and admitting execution thereof;

and

- b) generally performing and executing in respect of the assets all lawful deeds, agreements, acts and things as may be fit and proper in order to implement and complete the Assets sale.

FURTHER RESOLVED THAT the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to execution of sale of (approved) Assets.

FURTHER RESOLVED THAT the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed / required by the SECP without the need of any other further approval of the shareholders.

FURTHER RESOLVED THAT certified copies of this resolution in its present form or modified by CFO/Company Secretary be communicated to the concerned authorities and shall remain in force until notice in writing to the contrary is given.

By Order of the Board


(MANSOOR AHMED)
Company Secretary

Karachi: 03 June 2025

NOTES:

1. Share transfer books of the Company shall remain closed from 20 June 2025 to 27 June 2025 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Shares Registration Services (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi up to the close of business on 19 June 2025 will be treated in time for the purpose of attending the EOGM.
 2. **Participation in the EOGM via physical presence or through video conferencing**
 - a. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
 - b. Participation in the EOGM proceedings via physical presence or through video link facility:
The arrangement for attending the EOGM through electronic means will be as under:
 - a. To facilitate our members who want to attend EOGM through the Zoom application - a video link facility will be provided.
 - b. Shareholders interested in attending the EOGM through the Zoom application are hereby requested to get themselves registered with the Company Secretary's office by providing the following details at the earliest but not later than 48 hours before the time of EOGM (i.e. before 03:30 p.m. on 25 June 2025) through following means:
 - i) Mobile/WhatsApp: 0315 5008228
 - ii) E-mail: mansoor@lakson.com.pk
- Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.
- Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of EOGM, shareholders will be able to login and participate in the EOGM proceedings through their smartphone/computer devices.
- In view of the above, the Shareholders can also provide their comments/suggestions for the proposed agenda items of the EOGM by using the aforesaid means.
3. A member eligible to attend, speak and vote at meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be properly filled in and received at the Company's Registered Office not later than 48 hours before the scheduled time of meeting.
 4. The Shareholders are requested to have their Folio/Account details (Participant ID and Sub-account) and original CNIC for identification purpose, readily available with them, at the time of meeting. In case of a corporate entity, Resolution of the Board of Directors or Power of Attorney with specimen signatures of the nominee should be produced.
 5. Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through Postal Ballot, i.e. voting by post or electronic mode in accordance with the requirements and procedure contained in the aforesaid regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s. BDO Ebrahim & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the Special Business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.
 6. In compliance of directions of SECP through its letter number CSD/ED/MISC/2016-639-640 dated March 26, 2021 and the provisions of Section 72 of the Companies Act, 2017, the Shareholders having physical shareholding are requested to open sub-account with any of the broker or Investor account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the stock exchange.

7. Shareholders are advised to:
 - a) Send valid copy of CNIC/NICOP and/or any other required Government issued Identification; as applicable, if not provided earlier to our Share Registrar.
 - b) Notify any change of address immediately, if any.
8. In accordance with the directive issued by the SECP, vide its S.R.O.452(I)/2025 dated 17 march 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the EOGM.
9. Statement under Section 134 of the Companies Act, 2017 and Form of Proxy are enclosed. Form of Proxy is also available on the Company's website: www.meritpack.com.

**STATEMENT OF MATERIAL FACTS UNDER
SECTION 134(3) OF THE COMPANIES ACT, 2017**

The Extraordinary General Meeting of the Company is being convened for passing special resolution for the Sale of Plant and Machinery to an independent third party, subject to the approval of the Members.

The justification for the sale of assets: The sale is a strategic decision aimed at optimizing the business portfolio and reallocating resources to more profitable and scalable operations. This sale is being undertaken to streamline operations and reduce fixed overheads in underperforming segments.

Further, the Directors of the Company have no interest in this matter except to the extent of their directorship in the Company and payment of remuneration. The directors confirm that there is no diversification of main business of the Company.

Agenda item: 1

SPECIAL RESOLUTION FOR THE SALE OF PLANT AND MACHINERY (THE "ASSETS"):-

The Board of Directors of the Company in their meeting held on Tuesday, 03 June 2025 approved the sale of Machinery (Flexible Packaging Unit) of the Company, located at 17-B, Sector 29, Korangi Industrial Township, Karachi ("Assets") thereon keeping in view fair market value recommendations by valuation firms in Pakistan and in such manner and on such terms and conditions as a Committee of the Company's Chief Finance Officer /Company Secretary and a Director (the "Committee") deems fit and appropriate subject to the further approval of the final terms and conditions of such sale including price by the Board and compliance of all legal formalities including shareholders' approval.

The Board of Directors, after due consideration of the Company's pressing liabilities and its constrained financial position, resolved to take appropriate measures to optimize the business portfolio and reallocate resources more efficiently. It was noted that the Gravure business segment old machinery requires significant investment in the near future.

In light of the above, the Board determined that the most prudent course of action would be to divest the Gravure business segment. The proceeds from the sale are to be utilized for the optimization and strengthening of the Offset segment. Pursuant to this decision, the management engaged SECP-certified valuers to conduct an independent valuation of the Gravure segment. The segment was valued at Rs. 620,734,122. Based on this feasibility analysis and valuation, the Board has formally resolved to dispose off the Gravure business segment.

The following material information is given pursuant to the Section 134(3) of the Companies Act, 2017 for the shareholders of the Company.

1(i). The detail of assets to be sold:

- a. Plant and Machinery located at 17-B, Sector 29, Korangi Industrial Township, Karachi.

Particulars of Asset	Cost	Revalued Amount	Book Value	Expected Market Price / Fair Value
Amount in Rupees				
Rotogravure machine	258,418,181	291,984,000	280,236,603	620,734,122
Lamination machines	223,379	44,000,000	-	
Slitting machines	94,226,859	87,600,000	101,570,316	
Inspection and rewinding machines	4,126,431	5,900,000	2,241,984	
Lab equipment	17,364,229	17,817,500	456,379	
Total	374,359,080	447,301,500	384,505,282	

b. Future Business Plan

The Board of Director has proposed to dispose off the Plant and Machinery (and goodwill) of the relevant business unit to an independent third party. Financial Projection of the proposed business plan is attached as Annexure 'A' with the Notice dispatched to the members. The above objects are lawful, permissible under the Companies Act, 2017 and also provided in the Memorandum of Association of the Company. The realizable value is expected to be Rs. 1 billion and release of working capital related to this Business Unit is Rs. 350 million approx. The proceeds from this divestment will be directed towards strengthening core Offset Printing Unit, managing operating cash flows and reduce borrowings from financial institutions.

c. Benefits Expected to the Shareholders

Board anticipates that disposal of outdated/old machinery would significantly improve the operational and financial health of the Company and will enable it to pay dividend to its shareholders going forward.

ANNEXURE - A			
Amount in '000			
<u>Utilization of funds</u>			
Particulars			
Proceeds from disposal of Gravure division			1,000,000
Realization from disposing working capital			350,000
Total proceeds			1,350,000
Settlement of over-due liability			(535,000)
Settlement of short-term loan			(815,000)
Total utilized funds			1,350,000
<u>Potential Saving</u>			
Amount in '000			
Particulars	Loan amount	Interest rate	Potential saving
Saving from reduced short-term financing	815,000	12.43%	101,305
Other savings from divestiture			24,000
Approximate annual savings before tax			125,305
Tax @ 29%			(36,338)
Approximate annual savings after tax			88,967
Number of shares			199,958
Savings per share			0.45
<u>Liquidity position</u>			
Amount in '000			
Particulars	Short term finance limits	Utilized limit	Unutilized limit
Before divestment	920,000	868,366	51,634
After divestment	510,000	53,366	456,634



MERIT PACKAGING LIMITED

Form of Proxy

I/We _____
of _____
a member of **MERIT PACKAGING LIMITED** hereby appoint
_____ of _____ or failing him
_____ of _____

who is/are also member/s of Merit Packaging Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the shareholders of the Company to be held on Friday, June 27, 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held	Signature

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

Witness 2

Signature _____

Name _____

CNIC No. _____

Address _____

- Notes : -**
1. The proxy must be a member of the Company.
 2. The signature must tally with the specimen signature/s registered with the Company.
 3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number along with attested photocopies of Computerized National identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
 4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting, excluding holidays.

میرٹ پیکیجنگ لمیٹڈ

مختار نامہ (پراکسی فارم)

میں / ہم _____ ساکن
 _____ ساکن
 بحیثیت رکن (ممبر) میرٹ پیکیجنگ لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسلمی / مسماہ _____ ساکن
 _____ ساکن
 کو یا ان کی غیر حاضری میں مسلمی / مسماہ _____ ساکن
 _____ ساکن

کو جو خود بھی میرٹ پیکیجنگ لمیٹڈ کا رکن ہے کہ وہ بطور میرٹ / ہمارا 11 مختار نامہ (پراکسی) میرٹ پیکیجنگ لمیٹڈ کے
 غیر معمولی اجلاس عام میں جو بروز جمعہ 27 جون 2025 کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں کرے اور وہ
 میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ 2025 کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر ۱ _____ دستخط
 گواہ نمبر ۲ _____ دستخط
 نام _____ نام
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر
 پتہ _____ پتہ

ہدایات:

- 1- مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- 2- ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندارج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی
 مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- 4- مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے
 چھٹیوں کے علاوہ۔