

/ ARCHROMA PAKISTAN LIMITED

IN THE MATTER OF THE COMPANY'S ORDINANCE 1984

And

IN THE MATTER OF (1) Archroma Pakistan Limited and (2) Archroma Textiles Chemicals Pakistan Pvt. Limited

And

IN THE MATTER OF Judicial Miscellaneous Application No. 12 of 2016 in the High Court of Sindh at Karachi for sanction of and for other orders in respect of a Scheme of Arrangement for the merger of Archroma Pakistan Limited and Archroma Textiles Chemicals Pakistan (Pvt) Ltd.

Notice of Meeting

NOTICE IS HEREBY GIVEN that pursuant to the orders dated the 18-4-2016, of the High Court of Sindh at Karachi passed in Judicial Miscellaneous Application No. 12 of 2016, an Extraordinary General Meeting of the Shareholders of Archroma Pakistan Limited will be held on Friday 3rd June 2016 at 10.00 am at their Registered Office at Plot No.1-A/1, Sector 20, Korangi Industrial Area, Karachi, to consider and, if thought fit, approve adopt and agree to the Scheme of Arrangement dated 8 March 2016, between Archroma Pakistan Limited (APL) and its Members and Archroma Textiles Chemicals Pakistan Pvt Ltd (ATCPPL) and its members and in that connection to consider and, if thought fit, to pass the following resolutions, namely.

RESOLVED THAT the Scheme of Arrangement between APL and its members and ATCPPL and its members (the "Scheme") as placed before the Board be and is hereby approved subject to approval of the shareholders and the sanction of the Court, in its present form or with modification thereof or addition thereof as the Court may approve and subject to any conditions which the court may impose.

A copy of the Scheme of Arrangement and a Statement explaining its effect are being provided with the notice of the meeting sent to Members and other persons entitled to receive notice of the meeting. Further copies of the Scheme of Arrangement and of the Statement may be obtained from the Registered Office of the Company during normal office hours on application prior to the meeting by Members and other persons entitled to attend the meeting.

The Court has appointed Mr. Mujtaba Rahim, the Chairman of APL, or failing him, Mr. Veqar Arif, a Director of APL to act as Chairman of the meeting and has directed the Chairman to report the results thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

By order of the Board



M Veqar Arif
Director / Company Secretary

Karachi: 10th May 2016

/ ARCHROMA PAKISTAN LIMITED

NOTES:

1. The Share Transfer Books of the Company will remain closed from 27th May 2016 to 3rd June 2016 (both days inclusive). Transfers received in order by the Company's Share Registrar, M/s. FAMCO Associates (Pvt) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S Shakra-e-Faisal, Karachi, by 26th May 2016 will be in time to attend and vote at the Extraordinary General Meeting.
2. A member entitled to attend and vote at the meeting may appoint proxy to attend and vote instead of him/her. A proxy need not be a member of the company. Proxies, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the Meeting.
3. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their Original National Identity Card and account number in CDC for verification.
4. Central Depository Company (CDC) account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

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IN THE MATTER OF the Companies Ordinance 1984

and

IN THE MATTER OF (1) Archroma Pakistan Limited (2) Archroma Textiles Chemicals Pakistan (Pvt.) Limited

and

IN THE MATTER OF Judicial Miscellaneous Application No. 12 of 2016 in the High Court of Sindh at Karachi for sanction of and for orders in respect of a Scheme of Arrangement for the merger of Archroma Textiles Chemicals Pakistan (Pvt.) Limited with and into Archroma Pakistan Limited by the transferring to and vesting of the assets and liabilities of the undertaking of Archroma Textiles Chemicals Pakistan (Pvt.) into Archroma Pakistan Limited and the dissolution of Archroma Textiles Chemicals Pakistan (Pvt.) without winding up.

**Statement to the Members of the Company under
Sections 286 and 160(1)(b) of the Companies Ordinance 1984**

Dear Sir/Madam,

In Judicial Miscellaneous Application No. 12 of 2016 the High Court of Sindh at Karachi has been petitioned under sections 284 and 287 of the Companies Ordinance 1984 for sanction of, and for other orders facilitating implementation of, the Scheme of Arrangement, for the merger of Archroma Textiles Chemicals Pakistan (Pvt.) Limited (“**ATCPPL**”) with and into Archroma Pakistan Limited (“**APL**”) by the transferring to and vesting of the assets and liabilities of the undertaking of ATCPPL into APL and the dissolution of ATCPPL without winding up, in the High Court of Sindh at Karachi (the “**Scheme**”). In such proceedings the Court has directed the convening of separate meetings of the Members of each Company for seeking their approval of the Scheme.

A copy of the Scheme and formal notice convening the meeting as directed by the Court for the purpose of seeking the agreement of the Members of the Company to the Scheme are attached to this document.

All terms defined in the Scheme have the same meaning in this document, unless the context otherwise requires.

The resolutions proposed for the consideration of the separate meetings of the respective Members of APL and ATCPPL as set forth in the accompanying notice convening the meetings are as follows:

(a) in the case of APL:

RESOLVED THAT the Scheme of Arrangement between APL and its members and ATCPPL and its members (the “Scheme”) as placed before the Board be and is hereby approved subject to approval of the shareholders and the

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sanction of the Court, in its present form or with modification thereof or addition thereof as the Court may approve and subject to any conditions which the court may impose.

in the case of ATCPPL:

RESOLVED THAT the Scheme of Arrangement between APL and its members and ATCPPL and its members (the “Scheme”) as placed before the Board be and is hereby approved subject to approval of the shareholders and the sanction of the Court, in its present form or with modification thereof or addition thereof as the Court may approve and subject to any conditions which the court may impose.

As required by Section 284(2) of the Companies Ordinance 1984 the above resolutions to approve the Scheme have to be passed at the respective meetings of the Members of APL and ATCPPL convened under the orders of the Court by a majority in number representing three-fourths in value of the issued shares held by the Members of APL and ATCPPL respectively present in person or by proxy and voting at the meeting of each Company.

The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is agreed by the requisite majority at the meetings being convened for this purpose.

In case you are unable to attend the meeting convened by the accompanying notice you may appoint your proxy by completing the proxy form attached to the notice (in which you can direct the proxy how you wish him/her to vote) and send the completed form as soon as possible to the Company Secretary at the registered office of the Company which, in the case of:

- (i) Archroma Pakistan Limited is at Plot # 1 – A/ 1, Sector 20, Korangi Industrial Area, Karachi;

Proxies for the meeting will not be treated as valid unless proxy forms are received at least 48 hours before the time of the meeting. A Member desiring to appoint a proxy must comply with the requirements specified in the accompanying notice and on the proxy form.

**The merger of Archroma Pakistan Limited
and
Archroma Textiles Chemicals Pakistan (Pvt.) Limited**

Archroma Pakistan Limited

APL is a leading producer of dyes and chemicals for the textile industry, brands and mills in apparel and fashion, automotive and home textiles, and technical textiles. APL Emulsion products business is also a leading supplier of key raw materials for paint industry, construction industry and adhesives (packaging) application. Its paper solutions business with innovative technologies delivers leading edge and ever more sustainable solutions for paper makers around the world. It has an authorized share capital of Rs. 500,000,000 divided into 50,000,000 ordinary shares of Rs.10. Out of the said authorized share capital 34,117,881 ordinary shares of the aggregate nominal value of Rs.341, 178,810 are issued and fully paid while the remainder is unissued.

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Archroma Textiles Chemicals Pakistan (Private) Limited (ATCPPL)

ATCPPL is also a producer of Textile Chemicals for last many years. Textile chemicals are used in yarn production and preparation, fabric formation, fabric finishing and other miscellaneous manufacturing operations. ATCPPL is a company limited by shares which was incorporated in Pakistan under the name of BASF Pakistan Private Limited on 18th January 1964 and was subsequently renamed to Archroma Textiles Chemicals Pakistan (Pvt) Limited on 17th August 2015. The Company incorporated as a private limited company is registered at Karachi with an initial authorised share capital of Rs. 250,000,000 divided into 25,000,000 ordinary shares of Rs. 10 each of which 8,845,200 ordinary shares are issued and fully paid and the remainder are unissued. The Company has 2 members one of whom is employee of APL who holds one issued share of the ATCPPL whereas APL holds the remaining 8,845,199 issued shares of the Company. The Company has never traded and has no Assets and Liabilities other than those resulting from its incorporation and issued share capital.

Advantages of the merger

APL and ATCPPL deliver products and technologies across the textile chemicals spectrum, with particular strengths in printing, finishing and coating chemicals. This merger will further strengthen APL's market leadership position in supplying of dyes and chemicals to the global textile industry. The outlay strategically compliments APL's product portfolio and geographical presence that will now include ATCPPL strong market positions in Asia and several other high-growth markets. The merger will result in synergy and an increase in customer portfolio.

The Scheme of Arrangement

Object

The principal object of this Scheme is to provide for the merger of ATCPPL into APL by:

- (i) the transfer to, and vesting in APL, of the ATCPPL, against the cancellation of ordinary shares of the ATCPPL held by APL; and
- (ii) the dissolution, without winding up, of ATCPPL.

Approvals received

Board of Directors:

The Scheme has been approved by the respective Boards of Directors of APL and ATCPPL.

Subject to sanction by Court

The Scheme is subject to the sanction of the High Court of Sindh at Karachi and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and the Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose. The Boards of Directors of APL and ATCPPL acting jointly have the power to consent on behalf of all concerned to any modifications of or additions to the Scheme or to any conditions which the Court may think fit to impose.

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Effective date

This Scheme shall become effective as soon as a certified copy of the order of the Court under Section 284 of the Ordinance sanctioning this Scheme is filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan, Karachi. As and from the Appointed Date mentioned in the Scheme (from which date the scheme shall become operative i.e 01.01.2016), ATCPPL shall stand transferred to and vested in APL, and ATCPPL shall stand dissolved, without being wound up.

Assets, properties, rights, liabilities, obligations and legal proceedings

All Liabilities of ATCPPL on or before the Appointed Date shall, as from the Appointed Date, be deemed to become and be assumed by APL, as the Liabilities of APL. As from the Appointed Date, ATCPPL shall stand released from all obligations in respect of such Liabilities. With effect from the Appointed Date, all Tax liabilities of the ATCPPL under any law for the time being in force shall be the Tax liabilities of APL.

The Assets which form part of the ATCPPL and are subject to any encumbrance immediately prior to the Appointed Date, such Assets shall be deemed to have been transferred to APL on the Appointed Date subject to such encumbrances. APL shall be deemed, without any further act, deed, matter or thing, to have created, on the Appointed Date, all such encumbrances on the assets of ATCPPL which are transferred to APL from ATCPPL on the Appointed Date by virtue of the approval of this Scheme by the Court.

Upon the transfer of ATCPPL to APL on the Appointed Date, the charges recorded in the register of charges, if any, of ATCPPL in respect of the encumbrances on any of the assets comprising ATCPPL shall be released and discharged simultaneously with the registration of the same charges by APL under Section 122 of the Ordinance in respect of the aforementioned encumbrances on the assets comprising ATCPPL in the same amount and for the benefit of the same charge-holders.

All licenses, permits, quotas, rights, permissions, concessions, privileges, sanctions, approvals, licenses, exemptions, registrations and entitlements currently being enjoyed by ATCPPL which are subsisting immediately prior to the Appointed Date, shall, with effect from the Appointed Date, stand vested in and become transferred to APL without any further act or deed, and shall be appropriately mutated by the relevant authorities in favour of APL. In all contracts, deeds, bonds, documents, correspondence, records, agreements, and instruments of any nature whatsoever pertaining to ATCPPL shall transferred to APL, and all such contracts, deeds, bonds, documents, correspondence, records, agreements, and instruments shall be given effect accordingly.

All legal actions and legal proceedings of any nature whatsoever of ATCPPL, pending immediately prior to the Appointed Date, shall not abate, be discontinued or be in anyway prejudicially affected by reason of the merger and such legal actions and/or legal proceedings shall, be continued, prosecuted or enforced by or against APL in the same manner and to the same extent.

All employees of ATCPPL, shall as from the Appointed Date become the employees of APL on the same terms and conditions on which they were employed by the ATCPPL immediately prior to the Appointed Date, without being required to be paid any terminal or other benefits (other than accrued salaries and wages) by the ATCPPL.

Costs

All costs, charges and expenses incurred in connection with the merger shall be borne and paid by APL.

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Financial Information

APL

Period	Income (Rs in mio)	Profit After Tax (Rs in mio)	Share Capital (Rs in mio)	Shareholders' Equity (Rs in mio)	EPS (Rs)	Dividends (% of paid up capital)	Bonus Shares (%)
30-09-2015	9,440.40	1,053.30	341.18	4,443.24	30.87	250	--
30-12-2015	2,132.25	227.64	341.18	4,670.88	6.67	--	--

Copies of annual accounts for the year ended 30 September 2015 and first quarter ended 31 Dec 2015 are annexed to this statement.

Copies of consolidated annual accounts for the year ended 30 September 2015 are also annexed to this statement

ATCPPL

Period	Income (Rs in mio) Net	Profit After Tax (Rs in mio)	Share Capital (Rs in mio)	Shareholders' Equity (Rs in mio)	EPS (Rs)	Dividends (% of paid up capital)	Bonus Shares (%)
31-12-2015	2,439.46	350.4	88.45	1,095.2	39.60	Nil	Nil

Copies of Annual Accounts for the year ended 31 December 2015 are annexed to this statement.

APL

The authorised share capital of APL is PKR 500,000,000 divided into 50,000,000 ordinary shares of PKR. 10 each of which 34,117,881 ordinary shares of the aggregate nominal value of PKR. 341,178,810 are issued and fully paid and the remainder are unissued.

ATCPPL

The authorised share capital of Rs. 250,000,000 divided into 25,000,000 ordinary shares of Rs. 10 each of which 8,845,200 ordinary shares are issued and fully paid and the remainder are unissued. The ATCPPL has 2 members one of whom is employee of APL who holds one issued share of the ATCPPL where as APL holds the remaining 8,845,199 issued shares of the ATCPPL.

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Directors and Management

Directors of APL

The following are the names of and the shares held by the present directors of APL:

Name	Number of shares held in APL
Mujtaba Rahim	Nil
Dr S Mubarik Ali	Nil
Hans Lourens	Nil
M Veqar Arif	Nil
Roland Waibel	Nil
Thomas Winkler	Nil
Rahat Kaunain Hassan (Nominee of NIT)	Nil

Directors of ATPPL

The following are the names of and the shares held by the present directors of ATPPL:

Name	Number of shares held in ATPPL
Mujtaba Rahim (Nominee of APL)	Nil
M Veqar Arif	One

Directors after merger

The Directors of APL shall remain the same following the merger of APL and ATPPL.

Interest of Directors

The directors of APL and ATPPL, with the exception of Mr. Veqaruddin Arif, do not hold shares in the respective companies. Out of the directors, only Mr. Veqaruddin Arif, who holds one share of ATPPL is interested in the terms of the Scheme. The effect of the Scheme on his interests does not differ from its effect on the like interests of other Members.

Documents for Inspection

The following documents are available for inspection at the offices of APL and ATPPL, and may be inspected up to and including the day preceding the date of the meeting during normal office hours:

- Memorandum and Articles of Association of APL
- Memorandum and Articles of Association of ATPPL