

SHAFFI CHEMICAL INDUSTRIES LIMITED

23-Km, Multan Road Mohlanwal, Lahore Tel: (042) 111-111-666, 37540336-7,
Fax: (042) 37540335, E.mail: shaffichemical@diamondfoam.com

REF: # SCIL/CS/014

DATED: 15-05-2018

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road
Karachi.

Subject: **Material Information**

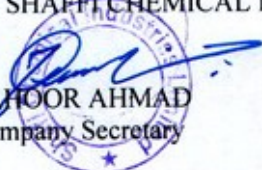
Dear Sir,

In compliance of clause 5.19.13 (c) (Code of Corporate Governance) of the Rule Book of the exchange, we hereby convey the following information to the stock exchange and the shareholders.

1. The management of Shaffi Chemical Industries Ltd., and the representatives of Allied Bank Limited, were on the track to settle the longstanding pending issues and by the Grace of Almighty Allah, matter has been resolved and settlement agreement of 10th May, 2018 has been signed and executed.
2. The liability against Allied Bank Ltd., was determined for Rs. 49.999 Million as principal amount which has now been paid to the Bank whereas the cost of funds and others payable has been waived off by the Bank. It may be noted that Bank has confirmed that there is no further liability payable to the Bank by the Company.
3. In the post settlement phase, the bank has issued Clearance Certificates to Company to the effect that there is no outstanding liability against Shaffi Chemical Industries Ltd, as on 10.05.2018 alongwith No-Objection Certificates in respect of all the mortgage properties and Charge on Assets filed with the office of Securities Exchange Commission of Pakistan. The bank has also withdrawn all sorts of liens, entitlements, possessions, claims and encumbrance on the assets of the company and allied parties with the exchange of title deeds etc. In addition, the authorized representatives of the Company and the Bank have also signed joint applications for the withdrawal of all the pending litigation and undertake to avoid initiate further litigation / complaints/ applications against each other at any sort of regulatory authority/office/forum in respect of closed matters.

You may please inform the members of the Exchange accordingly.

Sincerely yours,
for SHAFFI CHEMICAL INDUSTRIES LIMITED


ZAHOOR AHMAD
Company Secretary

Copy to :- The Director / HOD
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad