

Al Shaheer Corporation Limited Ninth Quarterly Progress Report From November 1, 2017 to February 20, 2018

In pursuance of the condition imposed by the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited regarding submission of progress report on implementation of Company's expansion project i.e. "Poultry & Meat Processing Plant and Extension of Retail Network" on quarterly basis till its completion, below mentioned compliance report is submitted.

Note:

It is stated that the project plan approved by the respective authorities and disseminated through the prospectus was based on the floor price of Rs. 43/-, however as evident, the Company received an overwhelming response and the floor price exceeded expectation to conclude at Rs. 95/-. Keeping in view the additional proceeds received by the Company, while considering the future prospects, it was decided to expand the project to a maximum potential.

Similarly the timelines could not be achieved due to expansion of the project and reasons beyond control of the Company. The management of the Company is vigorously following up the project and are making efforts to launch the project on priority. After detailed deliberations and considering every aspect of the project, the month of April 2018 has been finalized for commercial production.

The project implementation plan has been divided into following two areas:

1. Poultry Business and Meat Processing Factory
2. Extension of Retail Network

Each of the above areas are discussed in ensuing paragraphs.

- **Poultry Business & Meat Processing Factory**

The detail of activities undertaken is as follows:

1. Chicken Slaughter House
2. Further Processing of Meat

3. Beef and Mutton Slaughter Line
4. Samosa, Paratha and Roll Facility

The brief update on description of above is as follows:

1. Chicken Slaughter House and Further Processing of Meat

Relevant equipment has been purchased and installation is underway. Unexpected delay due to labor issues of the contractor has delayed the timelines, however at current pace of work, the production is expected in April 2018.

2. Further Processing of Meat

This segment constitutes the ready to cook meat products. Relevant equipment and planning is in place. Unexpected delay due to labor issues of the contractor has delayed the timelines, however at current pace of work, the production is expected in April 2018.

3. Beef and Mutton Slaughter Line

Decision with respect to installation of beef and mutton slaughter line at Lahore premises of the Company has already been taken. The equipment and necessary installations has already been acquired. However, due to legal impediments of the provincial authorities, the installation has been delayed for negotiations and way out with the respective authorities.

4. Samosa, Paratha and Roll Facility

This facility is planned for installation and production along with the rest of the facilities.

CONSTRUCTION STATUS

Following agreements have been undertaken for the Projects:

1. Refrigeration Design and Installation

Development of the project (Civil work) is in progress, Mechanical and Electrical installation is progressing but due to delay in construction of the building, the installation has been effected.

Design is complete while the equipment has been imported and installation is expected to complete in or before April 2018.

2. *Electrical Consultancy and Design*

The consultant has made significant progress. The completion of electrical installation is expected to complete in April 2018.

3. *Architect Design and Supervision*

The consultant continues his supervision role and is dealing with the delays of construction issues.

4. *Civil Works Contract*

The work has been delayed due to unexpected labor issues. However, the management has been rigorously following up with the contractor and has been successful in aligning the civil works which is expected to be completed in April 2018.

- **Extension of Retail Network**

	As On November 1, 2017	Additions	Discontinue	As On February 20, 2018
Meat One	20	-	-	20
Meat One SnS	16	2	-	18
Khas Meat	10	-	-	10
Khas Meat SnS	7	-	2	5
Total	53	2	2	53

CERTIFICATE OF PROJECT COMPLIANCE

I, Kamran Ahmed Khalili, Chief Executive Officer of Al Shaheer Corporation Limited do hereby certify that following is the current implementation status of the project:

Poultry Business & Meat Processing Factory

Project Milestones	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Apr-16	Feb-17	Feb-18	Mar-18	Apr-18
Land Purchase	v									
Design & Drawing		v								
Approval for Construction			v							
Ground Breaking					v					
Purchase of Equipment			x							
Arrival of Equipment						v				
Completion of Installation										
Trial Production										
Commercial Production										

I hereby further certify that with the current pace of development of project, the company will achieve commercial production on or before April 2018.

Moreover, our current expansion of retail network is in line with Business Strategy duly updated in the light of guidance from Board of Directors.

Sd.

Chief Executive Officer