

ALSHAHEER FOODS

Al Shaheer Corporation Limited Fifteenth Quarterly Progress Report

22 August 2019

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, specifically the Poultry & Meat Processing Plant, on a quarterly basis till its completion, below mentioned compliance report is submitted.

The project plan approved by the respective authorities and disseminated through the prospectus was based on a floor price of Rs. 43/-. However, the Company received an overwhelming response and stock floor price exceeded expectations 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 its maximum potential.

The poultry and processed food plant in Lahore is now almost complete. In context of the significant change in the Company's external business environment after currency devaluation, the Board directed Company management to re-evaluate its immediate business strategy and maximize shareholders value. The decision was to focus all resources & energies on current meat business, in particular exports, for the short term to fully exploit and benefit from the changing economic environment. This has delivered very positive results – the 3 quarters YTD net margin has improved to 2.9%, as compared to -0.9% of same period last year. Due to this shift in priorities for the short-term, launch of the new business category has temporarily been held. The Company is at a level of preparation where it can launch the new portfolio within four months of the Board's approval.

The project implementation status is as follows;

- **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



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A brief update on the above is as follows:

1. Chicken Slaughter House

All relevant equipment is on location at the Plant. Its erection has been temporarily paused and can be completed in two months prior to launch.

2. Further Processing of Meat

This segment constitutes the ready to cook meat products. Plant machineries and equipment have been installed. Initial trial productions to test machines and processes have been done. As given in para 3 of this report, this project is being delayed on the recommendation of the Board to address current business priorities first.

3. Beef and Mutton Slaughter Line

Machinery and equipment for the slaughter line have already been acquired. However, due to legal impediments of the provincial authorities, the installation had been suspended for negotiations and to find a way out with the respective authorities.

4. Samosa, Paratha and Roll Facility

All equipment for this facility has been installed and trials done.

CONSTRUCTION STATUS

Following agreements have been undertaken for the Projects:

1. Refrigeration Design and Installation

Development of the refrigeration project (Civil work) has been completed. Mechanical and Electrical installations are at the closing stage for one part of the system. Refrigeration unit has been switched on and tested across the production and storage areas, a number of times.

2. Electrical Consultancy and Design

Electrical works at the Plant have been completed.



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3. *Architect Design and Supervision*

The consultant continues his supervision role.

4. *Civil Works Contract*

Production area, warehouses and staff lodgings have been completed. Base work for internal roads has been done.

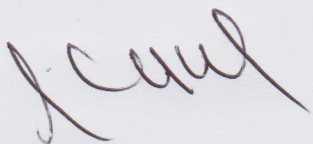
CERTIFICATE OF PROJECT COMPLIANCE

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	Apr-19
Land Purchase	✓						
Design & Drawing		✓					
Approval for Construction				✓			
Ground Breaking					✓		
Purchase of Equipment			✓				
Arrival of Equipment						✓	
Completion of Installation							
Trial Production							As per Board decision
Commercial Production							As per Board decision

I hereby certify that at the current level of Plant readiness, the company is in a position to achieve commercial production within four months of The Board of Directors signal to move ahead.



Chief Executive Officer



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